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ESTABLISHED 1887

## McFarlane Treated For an Overdose Of Tranquilizers



Robert C. McFarlane

WASHINGTON — Robert C. McFarlane, a former national security adviser to President Ronald Reagan and a key figure in the Iran-contra affair, was admitted to Bethesda Naval Hospital in Maryland on Monday after taking an overdose of Valium, his lawyer said.

Mr. McFarlane, 49, was listed in good condition, a hospital spokesman said.

The attorney for Mr. McFarlane, Peter Morgan, said he did not know whether the overdose of the widely used prescription tranquilizer was accidental.

Mr. Morgan said that Mr. McFarlane was at home with his wife, Jonda, when "I think his wife became concerned by his condition and called the hospital."

Mr. McFarlane led a delegation that flew to Tehran last May with a plane load of U.S. weapons to meet with Iranian officials. He has testified before congressional committees and is due to face more questioning.

## Afghans Down Plane, Kill At Least 30

ISLAMABAD, Pakistan — A Soviet-built plane crashed Monday after it was hit by a rocket near a military airstrip in eastern Afghanistan, Afghan and Soviet news services and rebel sources said. At least 30 people were reported killed.

Moslem guerrillas fighting the Soviet-backed Afghan government said their forces hit the plane with a missile as it was approaching an airstrip in the city of Khost, site of the main government military base in eastern Paktia Province near the border with Pakistan.

The guerrillas said 43 military men were killed. Radio Kabul said 36 persons, mainly women and children, died. Tass, the Soviet news agency, put the number at 30.

Radio Kabul and Tass identified the plane as an Antonov An-26, a two-engine turboprop passenger plane used both for military transports and as a civilian airliner.

Tass did not specify whether the plane was Soviet or Afghan and did not say who was responsible for the attack. It said the aircraft was hit by a rocket after takeoff.

The news agency also did not say whether the plane was being used for military or civilian purposes or whether it was flown by Afghan or Soviet pilots. Two transport squadrons of the Afghan Air Force use Antonov An-26 planes.

The government report that the plane carried civilians seemed unlikely. Khost is often under attack.

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## Hunt for Marcos Riches Yields a Conglomerate

By Seth Mydans  
New York Times Service  
MANILA — In a little less than a year, a presidential commission seeking to recover the "hidden wealth" of former President Ferdinand E. Marcos has become in effect the nation's largest and most diversified conglomerate.

Working out of a small, cluttered office and employing — and sometimes losing track of — a host of volunteers, the commission has taken over 268 companies in fields that include banking, beach resorts, steel making and newspaper publishing.

The commission, according to its records, now owns 81 motor vehicles, 31 aircraft, 13 ships and 143 tracts of real estate.

No one knows what all these holdings are worth. Financial statements are available for only 26 of the sequestered companies. But commission members have estimated the wealth recovered and frozen in the Philippines at \$1.5 billion.

Overseas, in the United States and Switzerland, the former president's holdings are far larger but more elusive.

New York courts have placed four buildings believed to be owned by the Marcos family under receivership. Their net value is placed at \$110 million.

In Switzerland, the commission has made progress toward gaining access to Mr. Marcos's bank accounts, estimated at \$5 billion.

The Swiss authorities have broken precedent in freezing the Marcos assets, and lawyers are seeking full disclosure of the holdings. Such disclosure would form the basis for a criminal complaint of graft and corruption to be filed in the Philippines against the former president.

Jovito Salonga, chairman of the

five-member Presidential Commission on Good Government, has predicted that full disclosure and delivery of the first of these deposits to the Philippines could come this year.

The government has already filed a \$750,000 damage suit against Mr. Marcos in connection with the New York properties.

At home, the commission's work has raised fundamental questions about the redistribution of wealth and power in the post-Marcos period.

Its method of placing companies under sequestration without prior notice or hearings has drawn protests, and opponents have campaigned vigorously against the commission in the press.

In its hurry to seize assets before they could be funneled out of the country or disguised, the commission has tended to sequester first and ask questions later.

Its quiet negotiations with some Marcos associates who have the largest holdings have been slowed by the apparent fragility of the government of President Corason C. Aquino, which has been the subject of attempted coups.

The overwhelming approval of a new constitution in a nationwide vote last week may give Mr. Salonga a stronger hand in trying to

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## Criticism of Gandhi at Rare Pitch

By Steven R. Weisman  
New York Times Service  
NEW DELHI — A flurry of personal slits, statements and accusations by Prime Minister Rajiv Gandhi, including some related to India's latest confrontation with Pakistan, have prompted unusually strong criticism of his performance.

Questions are being raised in normally friendly quarters about Mr. Gandhi's credibility and competence.

The magazine India Today, usually supportive of Mr. Gandhi, has assailed what it termed his "irritability, perulance, smart-aleck responses in serious situations and seeming callousness in assessing complex problems."

The criticism has focused especially on the dismissal of the foreign secretary, A.P. Venkateswaran, who learned of the action from Mr. Gandhi's casual comment at a news conference last month. The action stunned, baffled and angered supporters of Mr. Venkateswaran, India's highest-ranking career diplomat.

Civil servants uniformly attacked the move, raising doubts about the bureaucracy's willingness to cooperate with Mr. Gandhi's policies. The Indian Foreign Service Association charged that

the action "undermined the morale of the entire service."

Mr. Venkateswaran was said to have been irritated by the prime minister by being overly talkative in public. But Mr. Gandhi's method of ending a distinguished career with an icy remark about "a new secretary" was seen as callous.

Questions have also been raised about the prime minister's abrupt transfer of Viswanath Pratap Singh, architect of India's economic liberalization program, from the job of finance minister to that of defense minister.

The transfer Jan. 24 was defended as necessary amid the war

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## Group Defers Execution of 4 Hostages

BEIRUT — Islamic Jihad for the Liberation of Palestine said late Monday that it was "deferring for the time being" the threatened execution of four hostages whom it had planned to kill at midnight Beirut time if Israel did not release 400 Arab prisoners.

The guerrilla group announced its decision in a communique given to a Western news agency five minutes before the deadline of 2200 GMT. The document said the decision was made at the request of the hostages, their families and what it called "patriotic organizations" in Lebanon.

It also cited a similar request made by the Indian government. The hostages are three Americans — Alann Steen, Jesse Turner

and Robert Polhill — and Mithishwar Singh, an Indian citizen who has resident alien status in the United States.

The group's announcement was accompanied by a photograph of Mr. Polhill.

Earlier Monday, Mr. Steen had said in a "last message" that he and the other hostages would be killed at midnight unless the United States pressured Israel into releasing the 400 prisoners.

Israeli leaders said they would

Most of the 400 Arab prisoners are thought to be in southern Lebanon. Page 2.

not act without a request from the United States. In Washington, the White House said the United States had not discussed the demand with Israel.

"This is the last message to our wives and the American people," Mr. Steen said in his letter, adding: "We urge you all to push our government to order Israel to guarantee the release of 400 Palestinian mujahidin by midnight."

The three-page letter repeated the deadline that Mr. Steen had conveyed in a videotape released by the kidnappers Sunday.

"We will be executed at midnight," said the letter, which included notes from the two other kidnapped American professors to their wives. "Until then if you do love us and your hearts beat for us, put pressure on Israel to show good will."

"Let Israel promise the organization plainly and officially that 400 Palestinian mujahidin will be free," he continued. "Otherwise, we won't be alive after midnight."

In Israel, Foreign Minister Shimon Peres said, "Nobody has approached Israel on this issue, and Israel won't take any initiative on its own."

Defense Minister Yitzhak Rabin said, "If and when the United States turns to us, we will consider together what to do."

Mr. Rabin said Israel could not be used as "a bank for terrorists whom it will be asked to release every time French, American or German citizens are kidnapped."

Yossi Alhimer, a spokesman for Prime Minister Yitzhak Shamir, said that "no concessions should be made to the terrorists."

Israeli officials have said they were willing to discuss a proposal by Nahbi Berril, Lebanon's justice minister and head of the Shiite Moslem Aml militia, and to trade an Israeli airman for Arab prisoners. But they said Israel would not respond to an ultimatum or conduct negotiations in public.

Under the Berril proposal, all 26

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## In Post-Reykjavik Confusion, Steps Toward a Thaw

By Jim Hoagland  
Washington Post Service  
PARIS — Four months after their leaders held out the radical vision of agreements that could free the world from the threat of destruction by nuclear weapons, the United States and the Soviet Union have taken their first joint steps toward defining how these agreements might be reached.

Those steps, by the U.S. and Soviet arms control negotiators in Geneva, are acknowledged by officials to be small ones that involve procedure more than substance. They involve establishing formal working groups and drafting language for possible agreements.

But they represent the first measurable progress on arms control since President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev, left Reykjavik, Iceland, after a meeting that ended in confusion and bitterness.

In the diplomatic contact and bargaining that followed the October summit meeting,

the imprecisions and confusion of Reykjavik have come to form an encompassing riddle of the nuclear age. A cottage industry has developed to discover, interpret and repack what was and was not said and agreed to in Iceland.

The negotiators in Geneva, who once had

the fairly clear-cut duty of putting forward positions defined in their capitals, now argue over what their leaders said, and meant to say, at the summit meeting.

Much of this arguing appears to be tactical, as the Soviet Union seeks an agreement that would offer major concessions on its offensive missile forces in return for binding restraints on the Strategic Defense Initiative.

American negotiators are working to reduce or eliminate those Soviet missile forces without weakening SDI, the space-based missile defense system envisioned by Mr. Reagan.

This deadlock mirrors the one that devel-

oped in Reykjavik. But positions have evolved in the meantime, making it clearer that Mr. Reagan and Mr. Gorbachev each believed he was within reach of a deal that would give his country significant advantages while reducing the risk of nuclear war.

Accounts suggest, in fact, that there was less confusion over this between the two men as their meeting broke up than was reflected in the self-serving versions of the talks from spokesmen for both sides.

The negotiating positions under discussion in Geneva reflect some movement back toward the bold ideas advanced in Iceland. The Soviets have retreated further than the Americans, particularly on the troublesome question of accepting detailed constraints on their "heavy" missile forces. But some U.S. positions also have hardened.

Initial efforts to get the Geneva negotiations back on track after Reykjavik were hampered by a stormy session in Vienna in early November between the Soviet foreign minister, Eduard A. Shevardnadze, and the U.S. secretary of state, George P. Shultz.

A denial by the Soviet negotiator at the time, Viktor P. Karpov, that his country had accepted specific limits for the number of warheads it could put on its largest intercontinental ballistic missiles, led the U.S. negotiator, Paul H. Nitze, to call Mr. Karpov a liar.

With the Soviets, in turn, saying that it was the Americans who were going back on their word, the Vienna meeting put arms negotiations into a deep freeze that is only now thawing.

The first public suggestion that progress is being made in Geneva came when Yuli M. Vorontsov, the Soviet deputy foreign minister and new head of the country's delegation in Geneva, said Tuesday that the two sides were working in "a substantive negotiation of provisions of a framework agreement."

The current round of talks, which is expected to continue for three to four weeks, has "produced some results" and could be decisive, Mr. Vorontsov indicated.

Kenneth L. Adelman, the director of the U.S. Arms Control and Disarmament Agency.

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## LATE NEWS

### Dollar Plunges, Reversing Gains

The dollar fell sharply on Monday, reversing gains posted last week, after traders interpreted remarks by Treasury Secretary James A. Baker 3d as a sign that the United States had not given up on efforts to push the currency lower. The dollar closed at 1.81 Deutsche marks in New York, down from 1.825 DM on Friday, Page 15.

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The Western Conference won the NBA all-star game, 154-149, in overtime. Page 17.

BUSINESS/FINANCE  
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The dollar plunged in trading after remarks by the U.S. Treasury secretary. Page 15.

## A New Shoe Count in Manila: Mrs. Marcos Had 1,060 Pairs

MANILA — One of the mysteries of Manila's "hidden wealth" investigation is the origin of the report that Imelda R. Marcos owned 3,000 pairs of shoes.

A new inventory of Malacanang Palace has determined that Mrs. Marcos left behind exactly 1,060 pairs of shoes and slippers, including one battery-equipped pair that glows in the dark. Mrs. Marcos has called the 3,000 figure an exaggeration.

When she fled the palace with her husband nearly a year ago, according to the new inventory, Mrs. Marcos also abandoned 308 floor-

handbags, 464 scarves, 664 handkerchiefs, 71 pairs of sunglasses and 65 parasols.

"Nobody knows where the 3,000 figure came from," said Victoria Garchitorena, executive director of a foundation that administers the palace as a museum. But she said nobody really knows the overall total of shoes, because Mrs. Marcos kept separate wardrobes in several residences.

The 3,000 figure has become a symbol of the Marcoses' extravagance, more personal than the estimates of \$5 billion that officials have placed on their total wealth.

## Candidate Kemp's Goal: A Few Well-Chosen Words

By Paul Taylor  
Washington Post Service  
WASHINGTON — Representative Jack F. Kemp likes to talk, but as he approaches the April 6 kickoff date for his presidential campaign, his political handlers are placing him on a rhetorical diet.

"He's got to decide the three or four things he wants to talk about, not the 15 or 20," said Edward J. Rollins, chairman of the Kemp exploratory committee. "He's got a good message, but he crowds it out with too many messages. He can be a good speaker, but he isn't every time. It's a question of discipline."

Charles Black, the chief consultant to the Kemp campaign, said that Mr. Kemp "has been a missionary" for conservative causes

and other devices. "It's not like taking a green kid and shaping him from the start. But if you are doing something wrong and getting hammered, you're willing to listen to suggestions. Jack is willing."

Opinion polls show Mr. Kemp running far behind two other expected Republican candidates, Vice President George Bush and Bob Dole of Kansas, the Senate minority leader.

Mr. Rollins said Mr. Kemp has been doing two things wrong. One is sheer wordiness. The other is his enthusiasm for discourse on such subjects as stable exchange rates, M1, G-5, and the gold standard — financial areas that bore most general audiences.

"Even the best in the business have trouble

speaking too long," said Mr. Black, who, like Mr. Rollins, worked on President Ronald Reagan's campaigns. "We never did completely reform the Great Communicator. There were times when, as a 'cut' sign, we had to resort to striking up the band."

The complaint by Mr. Kemp's managers that he lurches off into too many directions is in a way an acknowledgment of his maturation as a political figure.

In the late 1970s, when he first became a national political figure, Mr. Kemp was criticized as a "Johnny-one-note." All he ever wanted to preach, it was said, was the sup-

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## Japanese Phone Stock Rises 200,000 Yen

Brokers at the Tokyo Stock Exchange swarmed to buy shares of Nippon Telegraph & Telephone on Monday, the first day of trading in the stock. At one point, buy orders exceeded those to sell by 40 to 1. The stock price rose 200,000 yen (\$1,307) a share to close at 1.4 million yen. Page 11.

## Israelis Act to Quiet the 'Evil Tongue'

By Francis X. Clines  
New York Times Service  
JERUSALEM — Last month, eight centuries after Maimonides' advice on gentle social discourse, rival politicians had a scuffle in the Knesset that left one wearing a sling.

Then, Thursday night, politicians from the Liberal Party, a faction within the Likud bloc, gathered in a national unity convention that ended like a marketplace fracas, with the less silver-tongued orators shouting: "Sit down, fatso!" and "Shut up!"

The party's unity agenda was shredded in a cross fire of competing court injunctions, and so the hundreds of delegates spent much of the night shouting down each other's perforations.

If these be the elders, then the little child of Isiah's prophecy had better lead them back to the calming advice of Maimonides, a Jewish philosopher, who suggested curbing the "evil tongue." Such is the prescription, at least, of an experimental and very optimistic course the government has introduced in

40 of the 600 elementary schools across the nation.

"There is a certain harshness, a coarseness, in the way Israelis conduct dialogue," said Daniel Tropper, the educator charged with trying

between the nation's variety of competitors — right and left, religious and secular, Middle Eastern Jews and those of European origin.

"Israel, for various reasons, is more like an extended family than other nations, and in a family, social graces can fail," Mr. Tropper said at his offices in Geshur, an education institute dedicated to bridging the gaps in Israel's rich, fractious social fabric.

He is the first to maintain that there is "something beautiful" about this raucous quality that "helps make this an exciting place."

But he also stressed the caution issued by a panel of scholars, who urged the government to take action because the nation's social harmony can be harmed by the aggressiveness that Mr. Tropper says increasingly marks its culture.

Miriam Harel, a Geshur educator, countered, "Sometimes Philadelphia is no better."

Mr. Tropper smiled at the contradiction from his colleague. But he did not shout back. In this he exemplified one lesson of the

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and other devices. "It's not like taking a green kid and shaping him from the start. But if you are doing something wrong and getting hammered, you're willing to listen to suggestions. Jack is willing."

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"Even the best in the business have trouble



# The Trivializing of U.S. Network News Shows: Less for More

By Eleanor Randolph  
*Washington Post Service*

WASHINGTON — Over the past 10 years, U.S. network television news has undergone a transformation in style and content. Many practitioners say it has been a change for the worse, as the networks emphasize personalities and an attractive format at the expense of information.

Many Americans remember the longtime anchorman Walter Cronkite as a kindly, avuncular figure.

## NEWS ANALYSIS

But Mr. Cronkite was a stern journalist dishing out unsugared news that was heavy on Washington and politics, the somber word of the day from the Pentagon and the Federal Register.

In the past decade, network news has clearly changed in tone, technology and substance. In 1976, Mr. Cronkite at the CBS network, Howard K. Smith at ABC and John Chancellor at NBC all saw the anchor's role as intensely serious. There was no coxing the viewer. There was simply the sense that the viewer was being informed.

Today the three men who anchor the networks' evening news programs seem more like suitors trying to woo audiences with graphics, practical information and personality profiles.

The excesses that result can be

jarring. Dan Rather of CBS, in his broadcast from the Reykjavik summit meeting, suddenly began quoting from Henrik Ibsen — an affectation that seemed oddly misplaced for the subject at hand.

Tom Brokaw of NBC, appearing at the college football Fiesta Bowl, offered a news break on the deaths in the Dupont Plaza hotel fire in Puerto Rico. As he was telling of the tragedy, the cheers of the football crowd could be heard in the background.

ABC's Peter Jennings has found precious minutes of his Friday night broadcast eaten up by a "Person of the Week" interview. On Sept. 5, a long profile of the comedian Jerry Lewis aired on "World News Tonight" when correspondents were pressing for more air time to report on the storming of a hijacked Pan American jet in Pakistan.

William A. Leonard, a former president of CBS News, found in comparing today's newscasts to those of 10 to 15 years ago that there used to be "more emphasis on issues, on serious journalism."

"Today's broadcasts are more newsy and less hard-news oriented," he added.

Even though the pictures on television are better or faster now, in most cases the writing is better a decade ago, say many practitioners. Mr. Leonard and others stress that executives often hired newspa-



Walter Cronkite was a stern journalist dishing out unsugared news, the somber word of the day.

per journalists who had made names for themselves as writers.

"We were very much word-oriented people," Mr. Leonard re-

called. "There were many who made their reputations — Charles Kuralt, Harry Reasoner — not because they had a big voice but because they were writers."

Today's television writers are close to being caption writers. They are told to "write to the pictures" — advice that sounds good, given the nature of the medium, but that can vastly limit their opportunity to explain and educate.

Said an ABC correspondent, James T. Woolton, a former newspaperman hired in part because of his writing skill: "There is the danger that you give the viewer the illusion that he or she is well-informed, when you keep shortening and shortening and abbreviating until the appearance of information is merely that and that alone."

The networks invest more than ever in promoting the personality of the anchor. In one roundup of on-the-air promotions for an average week last year, there were 25 advertisements for Mr. Rather, 22 for Mr. Brokaw and 39 for Mr. Jennings.



Dan Rather, in Reykjavik, began quoting from Ibsen, an affectation that seemed oddly misplaced.

last year, the writer John Weisman found that in one week a decade ago, ABC had 98 stories, CBS 92 and NBC 75. In the same week 10

years later, ABC broadcast 67, CBS 66 and NBC 79.

There are fewer stories in part because the programs are trying to concentrate on longer reports when there are important issues. But within each story, the average amount of time allowed for each person's statement has been pared from more than 40 seconds in the 1960s and early 1970s to less than 15 seconds last year, according to one study.

The most startling change in the last decade is technological. Tapes of programs from 1976-77 seem oddly amateurish. Satellite technology was in its infancy.

On Oct. 5, 1976, for example, the sound on a Barbara Walters interview with President Anwar Sadat of Egypt was primitive. Miss Walters shouted many of her questions to a bemused Mr. Sadat.

Mr. Sadat took the opportunity to ask Miss Walters a personal question referring to her well-publicized salary: "How do you like a \$1 million job?"

"Mr. President, you know one doesn't work for money," she shouted back. "One works for love."

Now anchors are paid as much as most professional football stars. Mr. Rather reportedly makes \$2.3 million a year. Mr. Brokaw \$1.7 million and Mr. Jennings \$884,000.

## CIA Reopens Inquiry Into Contra Aid

By Walter Pincus  
*Washington Post Service*

WASHINGTON — The Central Intelligence Agency's inspector general is re-examining whether the agency's covert operations supporting the Nicaraguan rebels in 1985 and 1986 violated congressional bans against giving them direct or indirect military assistance, according to congressional sources.

As part of the new inquiry by the inspector general, Carroll Hanver, the acting CIA director, Robert M. Gates, has told his staff they could have a chance to revise what they said when the matter was first investigated last year, the sources said.

The first inquiry by the inspector general began last fall and was expanded in December after notes discovered in National Security Council files showed that some CIA personnel in Central America took directions from Lieutenant Colonel Oliver L. North of the National Security Council staff and filed reports back to him.

Colonel North was dismissed from the National Security Council after he admitted having diverted funds from clandestine arms sales to Iran to benefit Nicaraguan rebels supported by the United States, or contras.

Mr. Gates, who was nominated by President Ronald Reagan to succeed William J. Casey as director, told congressional sources last week he was "not satisfied" with some of the statements given to the inspector general during the initial inquiry. Therefore, Mr. Gates reportedly said, he offered agency personnel a chance to revise their original stories.

Although CIA operatives were barred from giving any military-related aid in 1985, a presidential intelligence decision in January 1986 enabled the operatives to provide intelligence data and communications training to the contras last year. Mr. Casey expanded covert CIA operations on behalf of the contras under the authority granted by that presidential decision.

The agency's inspector general inquiry is directed at reports that agency personnel coordinated delivery of privately funded arms for the contras, sources said. One congressional aide said Sunday that the agency had "people on the ground with the contra forces during the entire period."

If the inspector general's investigation uncovers evidence of wrongdoing, he may recommend punishment ranging from a reprimand to involuntary retirement from the agency.

Senate sources said that Senator Jesse Helms, Republican of North Carolina, has sent word to Mr. Gates that Mr. Helms's staff has information about CIA officials involved in the affair.

A House member said that while Mr. Casey was CIA director, agency personnel in Honduras, El Salvador and Costa Rica "were pretty loose" in providing assistance and direction to the contras.

The Miami Herald on Sunday quoted an unnamed intelligence officer saying that Mr. Casey helped Colonel North in providing all types of assistance to the contras.

"Without Casey's help at every stage, Ollie North would not have been able to do any of what he did for the contras," the officer was quoted as saying.

Mr. Casey was frequently questioned by the House and Senate intelligence committees last year about CIA aid to the contras, sources said.

"Casey could tell you volumes on the Sandinistas," a House member said, "but he professed to know nothing about the contras because the agency was not tasked to look into them. Of course Casey did the tasking."

Mr. Casey, who is hospitalized with cancer, resigned as CIA director Feb. 2.



## At a Roadblock, Somewhere in Western Panama

A National Guardsman from Florida watched Monday as a Panamanian boy rode past a roadblock set up for Operation Kindie Liberty, a U.S.-Panamanian military exercise. The operation, which began Wednesday and is to last two weeks, involves 8,000 soldiers and is taking place in mountains near the Costa Rican border. Some U.S. engineers will remain to build public works projects.

## U.S. Medical Costs Rose 7.7% in '86, 7 Times Faster Than Consumer Prices

By Robert Pear  
*New York Times Service*

WASHINGTON — The cost of medical care in the United States rose 7.7 percent last year, seven times as fast as the Consumer Price Index for all items, according to new government data.

The figures indicate that medical inflation remains a serious problem, contrary to suggestions by many public officials, health economists and executives in the health care industry.

In July 1984, Margaret M. Heckler, who was then secretary of health and human services, said that the Reagan administration had "broken the back of the health care inflation monster that has plagued us for more than two decades."

The overall price index rose 1.1 percent last year, the smallest increase in 25 years, largely because of a sharp decline in oil prices. But doctors' fees rose 7.8 percent, hos-

pital room rates were up 7.7 percent and prescription drug prices were up 9 percent, with tranquilizers and sedatives posting the biggest increase, 13.1 percent, according to the Bureau of Labor Statistics.

The cost of medical care has increased faster than the overall index in each of the last six years, but the disparity has never been so wide as last year.

Uwe E. Reinhardt, a professor of political economy at Princeton University, said the increases in doctors' fees were remarkable because they came at a time when there was supposedly a surplus of doctors and when the government was tightly controlling fees under Medicare.

"The number of physician visits per capita in the United States fell substantially in the last four or five years," Mr. Reinhardt said. "When their volume fell, the doctors behaved like many American busi-

nessmen. They jacked up their prices."

The increases came after two years in which many doctors froze their fees. Some did so voluntarily. Others did so involuntarily, under laws governing payment for services to the elderly under Medicare.

The latest data will figure prominently in the national debate over whether to establish a new U.S. program to provide insurance for the costs of catastrophic illness. Proponents say the high medical inflation rate shows why consumers need such a program. Opponents say it strengthens their argument that the government could never afford such a program.

The cost of goods and services used by hospitals rose about 5 percent last year, according to the American Hospital Association. But room rates rose substantially more.

Henry J. Bachofer, vice president of the hospital association, offered this explanation: "Patients are more acutely ill. They are staying in the hospital for fewer days, on the average. The price of a day in the hospital no longer covers the cost. So the room rate has to be raised to reflect the fact that patients use more services on each day in the hospital."

Many hospitals report a shortage of nurses willing to work for the existing wages. Clay Mickel, a spokesman for the hospital association, said that many nurses were successfully demanding higher pay because they had to care for more severely ill patients and operate new and advanced equipment.

Other economists at the bureau said increases in medical malpractice insurance rates seemed to be a major factor contributing to the increase in doctors' fees last year.

Jeffrey C. Warren, a spokesman for the Pharmaceutical Manufacturers Association, said drug prices were increasing, in part, because drug companies wanted to invest more money in research and development. Many producers of brand name prescription drugs feel they must develop new products as a strategy for survival because some of their older products face strong competition from generic drugs.

Karen Davis, an economist at the Johns Hopkins University School of Hygiene and Public Health, said the new figures confirmed that "the health care industry is not subject to either marketplace or government control."

"You have extensive insurance coverage," she said. "Hospitals and doctors know they can raise their charges and someone will pay whatever they end up charging."

## Sandinists and Contras Accused of Rights Abuse

The Associated Press

WASHINGTON — Both the government of Nicaragua and the rightist rebels fighting to overthrow it engage in abuses of human rights, the monitoring group Americas Watch reported Monday.

The report suggested, however, that most of the atrocities over the past year were committed by the rebels, known as the contras. It said they engaged in "selective but systematic killing" of perceived opponents and in the widespread kidnapping of civilians, including children.

The conduct of the military conflict, particularly by the insurgent forces, continued to have a severe impact on rural civilians, the report said. "Violations of the laws of armed conflict by the contras cause great suffering to the Nicaraguan people."

Americas Watch, a New York-based group established in 1981 to monitor human rights in South and Central America and the Caribbean, said the Nicaraguan govern-

ment should make greater efforts to investigate allegations of abuses by the military and to try those responsible.

It said the Sandinist government did not engage in a pattern of violations of the laws of war.

But the report said the government policy was to engage "in abusive interrogation tactics against prisoners, including psychological pressure and threats."

The Reagan administration has accused Americas Watch of bias in its reports on human rights performance in Nicaragua and elsewhere.

### Torture in Peru Alleged

Peruvian police secretly detained prisoners who they said died in prison riots in June, and many were tortured and executed, Amnesty International said Monday, Reuters reported from London.

The group said that up to 90 prisoners from El Fronton, one of three high-security prisons where riots broke out, were secretly taken into custody after surrendering and that several were executed.

1983 - 1987

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Herald Tribune

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Worse Than Blunders

Blunder it assuredly was. The Iran-contra arms crisis involved reckless ransoming of hostages and covert funding of the Nicaraguan rebels.

Keep the ABM Treaty

In the previous episode of the political soap opera that is the Reagan administration's arms control policy, the Pentagon was lobbying for a quick start on deployment of the Strategic Defense Initiative.

Schedule That Meeting

There would not be a special meeting of finance ministers this past weekend to do something about the dollar, because of "scheduling problems."

Dialogue With Warsaw

Poland remains a police state but once again tolerates the most freedom in Eastern Europe. Its government is still widely loathed but now tries harder to court popular opinion.

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OPINION

Resolve the Debt Crisis With 'Good Neighbor Bonds'

By Alan N. Alpern and Peter V. Emerson

NEW YORK — With all the attention given the world debt crisis, we are no closer to a solution today than yesterday. Debtor countries that must allocate scarce resources and export earnings for debt service cannot generate new capital investments.

neighbor would be permitted to issue "good neighbor bonds" in exchange for part of its external debt and accrued interest. The bonds would bear interest at some fraction (perhaps 40 to 50 percent) of current rates, and there would be an extended period before repayments of principal would have to be made.

Reagan: A Strong Record in Need of a New Spark

By William Safire

WASHINGTON — The media used the occasion of President Reagan's 76th birthday to clobber him. He was portrayed as a doberling old man, out of touch and out of date.



The Iran Affair Has Become an Alibi for Drift and Decline

RONALD Reagan's 76th birthday on Friday came in a week that brought exodus to the White House and a veto override in Congress.

How Japanese Could Help Australia

By Gregory Clark

TOKYO — Behind the bright face of summer, Australia hides a crisis of not just an economy but of a society. For the first time in their 200 years of history, Australians are beginning to fall behind the Asian peoples they once despised.

The President Loses Control Of the Agenda

By Stuart E. Eizenstat

WASHINGTON — President Reagan's State of the Union address, while stylistically vintage Reagan, underscored that for the first time he has lost control of a president's major weapon: the ability to shape the country's agenda.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: The British Navy LONDON — Winston Churchill, First Lord of the Admiralty, made a speech on British naval policy at Glasgow [on Feb. 9]. It was the firm determination of every member of the Cabinet, he declared, to maintain the naval supremacy of Great Britain in the face of any competition by European Powers.

OPINION

Marios, Bobs, Sam, George, Elizabeth . . .

By A.M. Rosenthal

NEW YORK — We were sitting around the table after a fine stout lunch, a bunch of us — a couple of Marios, four Bobs, Sam, old George, Elizabeth, one Howard and a fellow oodbody had expected to be there, Dale.

Somebody had said let's play The Game — who will be president, not necessarily your favorite, but the winner. That is how we divided.

Gary would have been there for sure but his man was off playing golf in Barbados, which may tell you something about Gary himself, or not.

ON MY MIND

It was a Long Island house and a good New Yorker group — a composer, couple of newspaper people, two lawyers, two writers, a manufacturer, a television producer, a choreographer, a casting director and a person in real estate. Two were in the Social Register and the rest of us were in the telephone book.

Politically it was what you would expect in this part of the country, which is far more mixed than is understood in the rest of the country. Nobody was a member of a political party but almost everybody was enrolled in a political emotion.

There were four liberals: one abashed, two unabashed, one ultra. Usually they voted Democratic, but give them a Lindsay, a Javits, a Nelson Rockefeller and they would happily go Republican; the party of Lincoln, right?

When it came to like, all liberals were for Howard Baker but three said he didn't have a chance. He never should have gone back to Tennessee but should have stayed in Washington, like Bob Dole, is what they said.

Bob was big among these power brokers, big. But one kind of mean fellow said Bob had been a Republican hatchet man. One of the Kansas crowd said everybody had forgotten all about that. Yeah, said the Dole-basher, well we will remind them. But most of the assembled turned away from him. From right and left came opinion that Bob had a lot going and that it was an axiom that a politician could outlive his hatchet days.

One of the writers was straight out for Elizabeth Dole because this country was ready for a woman president and since Margaret Thatcher seemed to be ineligible, Elizabeth was clearly next best.

Mrs. Dole's unit at the table was something of a conservative, very something. But the vote for George Bush also came from a man who thought himself a conservative with a head hard as iron.

Material for analysis here. The unexpected entry of Dale Bumpers into the dining room, right from Arkansas, elicited cries of admiration from all for the risk-taking of his sponsor, the kindly New Deal-type manufacturer whose perspicacity, however, was questionable, because he clearly thought more of sportswriters than of columnists.

The individual who came out for Sam Nunn was on the rightist side and his

choice was sharply challenged by several present. Was he suggesting Sam because they both were militarists, practically merchants of death, and was this not in violation of the rule of head before heart? Not at all, said the Nunner, he had chosen Sam because he had read that Larry Tisch liked him and what Larry liked Larry got.

The man who really dominated the talk was Mario Cuomo. He got votes, emotion and terrific advice. One bit of advice was not to act so educated; keep his classicisms to himself. Another was that he was too isolated; aside from his son, only three people close to him were known to the table, one of whom was able, another a viper and the third a bumblehead. And he was going on too much about gnarly-handed ethnic; velvet-handed Wasps also voted. All thought that if he had any desire to be president he ought to say something detailed about foreign affairs by tomorrow morning. The right-leaning liberals

were particularly vehement about that. One fellow, proudly a mushy-headed conservative, thought Mario ought to show if he had any original thoughts about foreign affairs even if he was just going to stick around as governor of New York. Didn't he have a responsibility as head of the state National Guard to say what he felt about Angola?

There was a lot of passion about Mario, both ways, and everybody knew exactly what he should do if he wanted to make St. John's University proud of him by making good at last. Some people got so excited about Mario that they did not eat the cheese cake.

Well, you bet I was on the phone to Albany pretty quick breaking the news about the poll showing Bob displaying unexpected strength among Eastern opinion makers. That threw a scare into Albany all right and forced Mario into deciding to do something dramatic fast. So he is going to make a speech at Villanova on Thomist theology, roots and contradictions, in August. You read it here first.

The New York Times

Dale: Violating SALT-2 Is Bad Policy

PRESIDENT Reagan's reaffirmation, in his State of the Union message, of the importance of protecting our country was deeply ironic, coming on the heels of his decision to violate the SALT-2 treaty. That decision was the first time either superpower had violated a SALT submit on missiles and bombers, thereby risking an accelerated nuclear arms race. Few Americans want the Russians to have thousands of extra nuclear warheads, yet that is where our current course will take us.

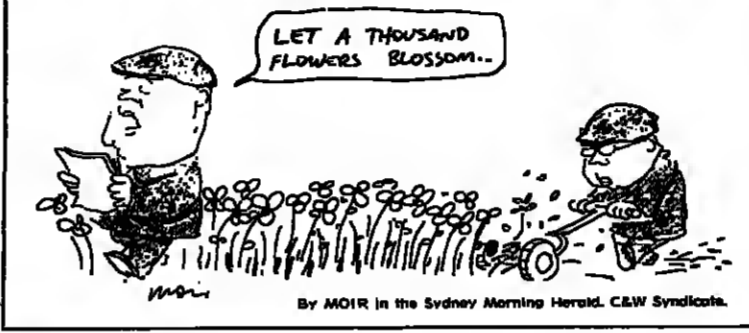
Lo late November the president ordered the deployment of another B-52 bomber with cruise missiles, without any offsetting dismantling. This caused the United States to exceed the SALT-2 limit of 1,320 multiple-warhead weapons. We have violated this limit twice since then and, under current plans, will do so 22 more times in 1987 alone.

What do we gain from breaking the limits? A tiny increase in our strategic forces and an extra four to five years of service from two missile submarines, after which they will be scrapped anyway because they will hit their 30-year life limit. What will the results be? An unrestricted nuclear arms race.

America has legitimate concerns about some aspects of Soviet SALT compliance, and Congress has approved giving the president authority to respond to Soviet violations. But exceeding the 1,320 multiple-warhead-missile limit effectively trashes SALT and guarantees a new arms race. Even SALT's critics concede that the Soviet violations certainly do not alter the strategic balance. Scrapping SALT because of compliance concerns is like scrapping the criminal code because of the existence of

crime. Scrapping SALT does not end Soviet violations. It legalizes them. Scrapping SALT is a triumph for those in the administration with a record of unremitting hostility to arms control. This is right-wing ideology run amok, given the major increase in Soviet nuclear forces brought on by SALT's demise and the problems this creates. It magnifies the difficulties confronting the "star wars" program by multiplying the number of warheads to defend against.

— Senator Dale Bumpers, Democrat of Arkansas, in The New York Times.



By MOIR in the Sydney Morning Herald. C&W Syndicate.

Friendship in the Dormitory In Lieu of Heavy Breathing

By Ellen Goodman

BOSTON — She went to college last fall, carrying with her two family gifts: a sense of humor and an answering machine. By midwinter she had put together these two weapons and produced a salvo intended for her elders.

This is what her mother heard when she called: A male voice in the machine stammered, "Um, uh, you called at a bad time. We're, um, in the shower right

MEANWHILE

now. But we'll be out in a few minutes, so just leave a message."

The unsuspecting caller was out freaked out, as her daughter might put it. She waited for the beep and the giggles to subside and left a return message. After all, the mother said to herself, it was only 10 A.M. The bathroom on her daughter's floor was all female in the morning. It only became coed after noon. Or was it the other way around?

Well, never mind, this is dormitory living in 1987. America's national fantasy of coed showers and the reality of coed friendships. Much less heavy breathing than laughing. What the mother had witnessed when she visited that campus was not a seething caldron of casual sex. It was rather a comfortable atmosphere of casual friendship. Young men and women live with each other in a state not of permanent arousal but of permanent disarray.

sweatpants and T-shirts, faces dotted with ritual zit cream. They borrow each other's clothes and cut each other's hair and listen to each other's complaints. They are, in short, at home with each other. Male and female.

Running through her own impressions, it occurs to this mother and tuition-payer how much has been written about college students and sex. Sex is easy to study, to quantify. It's also sexy. Less has been said about the incest taboo that arises on a dorm or a floor where people live together like brother and sister, where the family dynamic depends on avoiding the storm and stress of romance and breakup. And still less has been said about friendship, plain old friendship.

When the mother was in college in the early '60s, a male friend was someone who was shorter than you. Or maybe your boyfriend's roommate. He was called, carefully, a platonic friend, as if there were something ancient and idealistic and altogether rare about nonsexual relationships between the sexes.

Even in coed schools like hers, where she studied with men, went to class with men, they did not live together in the real daily sense of that word. For the most part, women and men had to venture out to meet each other. They dressed for the occasion.

As her classmates went into the work world, it took time for them to develop anything like camaraderie. It is not easy to learn to be buddies late in life. Like learning a new language, it happens most fluently when you are young.

To this day, men and women of her generation who travel together, work together, often have an awkward relationship. When the business literature talks about this, it stresses the woeful lack of experience women have as teammates in their college years. Those who never played team sports, they say, have trouble in the corporate huddle.

But maybe the best turf for learning how to work together is not a playing field but a dormitory. Maybe it is not in competition but in the easy give and take, the naturalness of living together.

Men and women marry one by one, or at least one after another. But we work together in droves. We have far fewer lovers than co-workers. We tend to focus on the coed dorm as a breeding ground. The value of this learning laboratory of relationship may be in graduating men and women who are natural with each other in the work world.

And the young man in the recorded shower? The mother cannot resist asking. The daughter laughs at their recorded prank. He lives a couple of doors down the hall, she says; you met him. Oh yes, says the mother, he's your friend!

Washington Post Writers Group.

LETTERS TO THE EDITOR

Mayor Kollek on Gravestones, a Cemetery and Access

I have ooted the various letters you have published concerning the visit of New York's Cardinal John O'Connor to Israel. While I do not want to enter the subject of Vatican recognition of Israel and discuss the cardinal's visit in that context, I do want to correct some very erroneous statements in the letter from Marie Peck of Amman (Jan. 29).

Jewish gravestones were used by the Jordanians to build mortar positions, to pave footpaths in army camps and for army latrines even in the Tower of David, where a museum of the history of the city is being created. This is a fact.

Concerning the Moslem cemetery in the center of Jerusalem, let me begin by explaining that according to Moslem law, burial sites may be reused after a specific period of time, usually 25 to 30 years. Parts of the cemetery were in fact removed in two periods: the first part in

the 1930s by the mufti of Jerusalem, Haj Amin el-Husseini, when he built the Palace Hotel (now the Ministry of Commerce); the second part, by the Municipality of Jerusalem in the early 1950s, to create a park. This was done with the highest Moslem approval in Israel, which was then the qadi of Jaffa. Since 1965, when I became mayor, we have preserved the large part of the cemetery that still existed, and it has now been decided by the Israeli government and the city of Jerusalem to allocate a major sum toward improvement of this remaining part, adding lighting and building a beautiful fence. This is all being done in cooperation with the Moslem waqf, or charitable foundation.

Regarding religious freedom, there is more free access than ever before. Each year, mainly during the summer months, more than 150,000 Moslems and Christian Arabs from countries still nominally at war with Israel visit here. If Marie Peck were to go down to the Allenby Bridge, the official crossing between Israel and Jordan, she would see Saudi Arabians and Syrians and Kuwaitis and Iraqis entering Israel, some to visit their relatives, some to visit the Holy Places.

TEDDY KOLLEK, Mayor of Jerusalem.

Photos Can Open Eyes

Laura Berish writes (Letters, Feb. 3): "Your photo of R. Budd Dwyer with a gun in his mouth was distressing. What purpose did that photo serve?" Photos serve to open eyes to problems, like suicide, that are easily overlooked in print. South African violence and Ethiopian famine are "distressing" stories cooveyed in part by photos.

BRADLEY K. BIGLEY, Le Mans, France.

About the Other Germany

Hans Koning was indeed "out to lunch" when he wrote "Out to Lunch in the Other Germany" (Meanwhile, Feb. 3). The leaders of the Socialist Unity Party can glibly celebrate the defeat of "Fascist Germany" because they resolutely chose to ignore any historical link between their state and Hitler's. Nor do they need to call upon the grace of a late birth, since they were all living in the Soviet Union from 1933 to 1945. Or so they would have us believe.

It is an injustice to the many voices of decency in the Federal Republic to write that the defeat is "blanked out" of the West German state's "collective mind." Certainly the president of that state is part of the collective mind. Has not Richard von Weizsäcker spoken out fairly, eloquently and healingly?

RAYMOND W. JONES, Oberwil bei Zug, Switzerland.

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# Legal Hurdles Remain For SDI Even if Treaty Is Read to Allow Tests

By R. Jeffrey Smith  
*Washington Post Service*

WASHINGTON — Even if the Pentagon wins its battle to follow a more permissive interpretation of the ABM treaty in the Strategic Defense Initiative program, additional legal hurdles remain before it can conduct crucial tests of certain missile-defense technologies, administration officials and congressional experts said Monday.

Although the merits of the permissive interpretation remain in dispute, critics and proponents agree that the anti-ballistic missile treaty allows advanced testing and development of defensive technologies based on "other physical principles" than those available when the treaty was signed in 1972.

But many experts believe it does not allow tests of the "near-term" technology at the heart of the Pentagon's program, the "space-based kinetic kill vehicle," or chemical

rocket, because similar weapons existed in 1972.

U.S. officials said Monday that this view is taken by the State Department and the Arms Control and Disarmament Agency, although it is vigorously disputed by the Pentagon. As a result, any decision by President Ronald Reagan that the administration should follow the permissive treaty interpretation may be of little immediate consequence, they said.

Senior U.S. arms control officials planned to meet Tuesday with Mr. Reagan to discuss the Pentagon's recent proposal to follow the permissive interpretation, as well as a State Department proposal for consultations in advance with U.S. allies and Congress.

The chief White House spokesman, Martin Fitzwater, called attention Monday to statements by Secretary of State George P. Shultz and Defense Secretary Caspar W. Weinberger over the weekend that they supported the need for "a different pattern of testing" of SDI.

But he added that the following questions remained for the president and for his advisers: "What should the pattern be? What kinds of technologies should be developed? And, what's the timetable for doing it?"

Although the Pentagon has not publicly identified its favorite "near-term" missile-defense technologies, various officials said space- and ground-based rockets are at the top of the list.

On a television interview program Sunday, Mr. Shultz said SDI research had yielded considerable progress even under the narrower interpretation of the ABM treaty that U.S. administrations embraced until 1985, when the Reagan White House first questioned it.

"But it is clear enough now, given the progress that has been made," he said, "that you'd be able to pursue the program much more effectively — and perhaps only — if a different pattern of testing is permitted."

The phrase "a different pattern of testing" appeared to mean a pattern of tests not permitted under the more restrictive interpretation of the ABM treaty.

The treaty bars the superpowers from deploying mobile anti-ballistic missile systems on land, sea or in space. The administration has claimed that ambiguities in the negotiating record leave room for testing and development of such systems if they are based on technologies not known in 1972.

# Soviet Will Release More, Revise Penal Code, Official Says

*United Press International*

VIENNA — The justice minister of the Russian Republic, Alexander Sukharev, said Monday that at least 50 dissidents have been released from Soviet prisons and that "this process will go on."

He also said that more than 100 of the 280 articles in the Soviet penal code have been revised and that 100 more will be revised this year. "We are seeking to humanize the penal policy, to move away from strict policies with only imprisonment," he said.

Of the dissidents released, Mr. Sukharev said to reporters here at the Conference on European Security and Cooperation: "A group of prisoners sent a request for pardon to the Supreme Soviet and they pledged to follow Soviet laws, so the Supreme Soviet made the step. 'I cannot give you the names but this process will go on, not only for these people but for other defendants,' he said.

Andrei D. Sakharov, the Soviet dissident and physicist, said Sunday in Moscow that he was told that at least 43 dissidents had been released by a decree of the President of the Supreme Soviet. Dissident sources in Moscow said some of those released had to sign papers vowing not to violate any laws.

# Soviet-Chinese Talks Signal New Cordiality

By Celestine Bohlen  
*Washington Post Service*

KHABAROVSK, U.S.S.R. — In China, they call it Heilong Jiang, or the Black Dragon River. In Russia, it has always been the Amur.

For decades, the two giant neighbors on the Asian continent have been disputing, and sometimes fighting, over the border that runs along the huge river.

In Moscow on Monday, Soviet and Chinese negotiators resumed the boundary talks that were broken off in 1979.

Here in the border region, the talks are seen as proof of a new cordiality in relations between the world's most powerful communist powers.

The Soviet side of the border still seems very far from China. There is no evidence of any cultural links. Border trade, while improving, is still minimal, expected to top 35 million rubles (about \$48.6 million at the official exchange rate) in 1986.

Total trade between the neighbors totaled \$1.9 billion in 1985. While that figure was up sharply from four years earlier, it was still

# Japan, Shaken by AIDS Case, Blames Foreigners

By John Burgess  
*Washington Post Service*

TOKYO — Japan has discovered its first case of AIDS in a woman, a prostitute said to have had sexual relations with 100 men. The news of her death has ignited fears of an epidemic and thrown sections of the country's huge and normally thriving sex industry into depression.

In two weeks, a Tokyo telephone line with recorded information on acquired immune deficiency syndrome received close to 250,000 calls. Newspapers, magazines and television are reporting heavily on the AIDS issue. Government agencies have moved to accelerate testing and education.

"Rarely has the death of a single human, infamous and indeed anonymous, aroused so much concern among people throughout our society," The Japan Times said in an editorial. Although the woman has not been identified by name, her picture has been published in some newspapers.

Up to now, most Japanese have viewed AIDS as a disease of homosexuals and hemophiliacs — but, most of all, of foreigners. Their country's exposure to it so far has been small, with only 26 confirmed cases. The United States has more than 30,000 current cases.

There is mounting concern that it could spread among the Japanese public and people are grappling with the same mix of misinformation and facts found in a similar awakening in the United States.

Particularly chilling in the Japanese mind is the chance of AIDS becoming established among women working in the country's thousands of heterosexually oriented hostess bars, short-time hotels and bathhouses.

The Japanese have a generally laissez-faire attitude toward extramarital sexual relations. Their culture has no real religious taboo against it. Fear of disrupting family or other societal relations is often said to be the main brake, but not a very strong one.

Pornographic comic books are standard fare for men

commuting on subways. Prostitution is illegal, but any Japanese city of size has an open red-light district. In sexual bathhouses, women often entertain a half-dozen men nightly.

Attitudes toward AIDS began changing in November, when officials announced that a Filipino prostitute working

**Most Japanese have viewed AIDS as a disease of homosexuals and hemophiliacs — but, most of all, of foreigners. People are grappling with the same mix of misinformation and facts found in a similar awakening in the United States.**

in a provincial city, Matsumoto, had tested positive for the virus that causes AIDS, although she had no symptoms. She was quickly deported and brothels posted signs telling customers that no Filipinos would be found inside.

News of the Japanese woman broke on Jan. 17. She had been a regular in Kobe's entertainment district, the authorities said, having relations with about 100 Japanese and foreign men. She died on Jan. 20, before the health authorities could fully trace her sexual contacts.

A panic hit local entertainment districts. "After the AIDS shock, customers dropped to 10 percent of normal," said an official at an association of Kobe's 73 sexual bathhouses. "Now the best we manage is 30 percent" of normal patronage.

Kobe's government set up a special headquarters to com-

bat AIDS and appealed to those who might have had sex with the woman or any suspected carrier to present themselves for blood tests. About 3,500 people have presented themselves so far, with initial results all negative.

Sensationalist weekly magazines have helped spread the fear. "This is AIDS! Panic sweeps the archipelago!" read a headline in the Yomiuri magazine.

Hotlines around the country were swamped. Callers to a Tokyo reference service expressed concern over sharing sake cups in restaurants or swimming in hotel pools. Others were worried over contagion in the local *senja*, the traditional neighborhood bathhouse that exists purely for getting clean.

Newspapers advise readers they can reduce the risk by using condoms and reducing the number of their sexual partners. But so far, the public mind seems to be more on making safe existing patterns of multipartner sex than on questioning the ethics and sustainability of the life style.

The Kobe bathhouses, for instance, are putting all 500 of their women through AIDS blood tests, the association official said, and will make a "safety declaration" when that is concluded.

One bathhouse in the city already claims exoneration. "There is no danger of AIDS among our companions," says a sign in front. "Medical documents can be inspected at the front desk. In each room, there are papers concerning the companion there."

Some of Japan's foreign residents are voicing complaints of discrimination similar to those heard from homosexuals in the United States. A few foreigners grumble that the Japanese now think all foreigners carry AIDS.

There is no doubt that Japanese eyes are on foreigners, in particular the 50,000 American military personnel stationed in the country. Facts and rumor about AIDS among them are played up and often distorted by the local press. A weekly magazine says all but two of 26 sex bathhouses in Yokosuka, the main U.S. naval base, now do not admit Americans because of fear of AIDS.

# 11 Defectors Get Hero's Welcome in South Korea

By Nicholas D. Kristof  
*New York Times Service*

SEOUL — Eleven North Koreans who escaped by boat to Japan have arrived in Seoul to a hero's welcome. The event marked a rare defection by North Korean civilians to the South.

Their arrival Sunday night, and their bitter comments about the North during a televised news conference, gave the government a propaganda victory and a diversion from its own political difficulties.

The arrival of the North Koreans came a day after a major demonstration in Seoul against the government of President Chun Doo Hwan.

But memories of that conflict were temporarily put aside as the North Koreans, members of one extended family, arrived on a flight from Taiwan. They had arrived in Taiwan a day earlier from Japan, where their boat anchored on Jan. 20.

"I feel I'm dreaming," said one of the defectors, Choi Bong Rae. "I cannot express my pleasure."

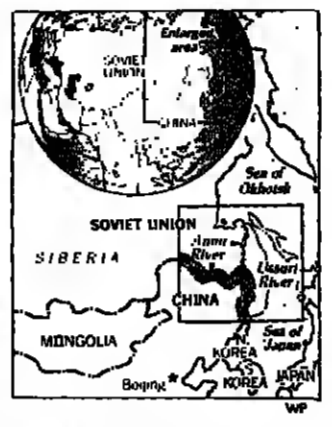
Her son, Kim Kwang Ho, 14, described the South Korea he had been taught about in school.

He said, "I was taught that there are many heggars swarming throughout South Korea, and that American imperialists exploit South Koreans and seize their property."

The boy's father and the organizer of the escape, Kim Man Chul, a 47-year-old doctor, had been quoted earlier as saying that the family did not want to go to South Korea, in part because of concern about repercussions on relatives remaining in the North.

After arriving in Seoul, Mr. Kim said his family had not known where to go but had been suspicious of South Korea.

"When we lived in the North, we were told that South Korea was a living hell," he said. "But when we arrived in Taiwan we were warmly welcomed by South Korean officials. They were very helpful and let us know that the South Korean people would warmly welcome us. That is why we decided to come."



# Worse Is on the Way For Cockroach Haters

By Boyce Rensberger  
*Washington Post Service*

WASHINGTON — The Asian cockroach, considered far more offensive in behavior than the German cockroach familiar to Americans, has arrived in Florida and is expected to soon become widespread in the South.

"The German cockroach is fairly polite," said Philip Koehler, an entomologist. "When you turn the light on, it runs and hides."

"But these Asian roaches fly, and they're attracted to light-colored surfaces. They'll swarm out in the evening and fly at the TV set. They'll sit on walls by the thousands."

"They live outdoors, too, and if you walk over the lawn, they fly up like grasshoppers. If you try a cockroach, they'll fly around the barbecue, crawl over the food. It's pretty disgusting."

Asian roaches look just like the small, brown, nonflying German roach, *Blattella germanica*, but are a separate species, *Blattella ashiinae*. They first appeared in the United States about three years ago near Tampa's port, probably aboard a ship from Southeast Asia.

By last summer, when they came to the attention of entomologists, the insects had infested an area of about six square miles (15.5 square kilometers). Now they cover 400 to 500 square miles around Tampa at a density estimated at as much as 100,000 an acre (almost half a hectare).

Mr. Koehler, who has been studying Asian roaches at the University of Florida at Gainesville, said that "a lot of the food warehouses that ship up North are infested, so are the big tropical plant nurseries."

"We expect the Asian cockroach to be a major insect pest over a good part of the country, and it won't be long," Mr. Koehler said. "We do think it reproduces faster than the German cockroach."

# Worse Is on the Way For Cockroach Haters

less than U.S.-Soviet trade, which totaled about \$2.8 billion in 1985.

The Chinese position on its northeastern border has been that the frontier should run along the deepest channel of a river, while the Soviets have held that their territory stops only at the Chinese bank.

At issue are about 600 small islands, including Chenbao, or Damansky island in Russian, that dot the two rivers.

In a major speech in July in the Pacific coast city of Vladivostok, Mikhail S. Gorbachev, the Soviet leader, signaled his country's readiness to concede that the border should run along the river's deepest channel, at least in the case of the Amur.

# 40 Charged in Protests

Prosecutors said Monday they had charged 40 people detained during demonstrations on Saturday and had sent 130 to summary courts but had released several hundred others. The Associated Press reported from Seoul.

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# Skeptics' Advice in Poland: Don't Take Official Courtship of the Literati Too Literally

By Michael T. Kaufman  
New York Times Service

WARSAW — Adam Hanuszkiewicz, who was dismissed five years ago as director of Poland's national theater because of his activities in the Solidarity period, has been invited to the Ministry of Culture for talks about a new job.

Films blocked by censors since 1981 are being released, and some artists and writers who shunned government contact after martial law was declared are being asked to take tea with General Wojciech Jaruzelski.

The growing courtship of artists and writers is one of several government initiatives that at the very least are intended to give the appearance of national reconciliation to foreign and domestic critics.

The more cynical Poles, and those most committed to the opposition, are advising skepticism. They say the Communists will never willingly relinquish

their control over who can say what to whom.

But there are many ordinary Poles who, however hesitatingly, are taking delight in the pronouncements of Alexander Krawczuk, a classics professor from Jagiellonian University, who as minister of culture for the last four months has been drawing much more from John Stuart Mill than from Marx or Lenin.

Mr. Krawczuk, who is not a member of the Communist Party, has, for example, declared that culture can only develop spontaneously and that its progress will not adhere to plan. At a recent news conference, he went so far as to declare that this country's prolific underground and illegal press was "a good thing."

These remarks harmonized to some extent with Soviet initiatives for openness, but they went far beyond anything heard in Moscow. They verged on an

endorsement of Poland's bootleg cultural industry, which produces hundreds of publications, books and tapes in clandestine workshops.

"I think it is good to have this second cultural realm," said Mr. Krawczuk, who is well known in the country as the host of television programs about life in ancient Greece and Rome. "I think people should publish in the second sphere and people should read these things."

His major complaint was that the underground press had not produced any masterpieces. "Most things published in the underground are light, even superficial," he said.

Asked whether, in light of his views of the clandestine press, there remained any justification for censorship, Mr. Krawczuk backtracked a bit.

"Perhaps I exaggerated what I said about the usefulness of the parallel culture," he said. "I am used to saying what

I think. I have been a professor for 26 years and a minister for only four months. You may accuse me of naivete."

As for censorship, Mr. Krawczuk declared: "It is not only modest, it is dying out. Many critical articles are published. What is censored are insults against our allies and the authorities." The last two terms are widely understood to mean the Soviet Union and Poland's Communist leaders.

"We are not happy about political censorship in this country, but in times of political conflict it is necessary," he said. "It is now receding."

Mr. Krawczuk said the authorities had been very lenient with the underground press, leaving its writers or readers unpunished. He was then asked why the printers, and those who distributed the materials, were subject to heavy fines and the confiscation of cars.

Since last September's amnesty of political prisoners, the size of fines for such

offenses has grown. The seven largest underground publishers have responded by forming an underground insurance company to protect against such losses, which they jokingly refer to as Lloyd's of Warsaw.

Mr. Krawczuk said such fines and confiscations were not a form of censorship but rather penalties assessed for tax evasion by the clandestine presses, some of which are enterprises employing as many as 200 people. He was then asked whether these enterprises would be permitted to operate unhindered if they paid taxes.

The government spokesman, Jerzy Urban, interceded to say there were questions of commercial law covering the registration of enterprises.

On the issue of censorship, he said, it was a question on the border line of law and politics. In constitutional terms, he said, everything that was not expressly prohibited was permitted, but he added

that in practical terms the policy was evolving as the political situation eased.

The government has already increased allocations for culture by a third, released all but one of the films that were being kept from circulation because of their political content, and offered employment to theater directors who have not been allowed to run their own theaters since martial law was declared at the end of 1981.

But if the general tone set by Mr. Krawczuk has been conciliatory, he came down on the side of the hard-liners on an issue that, more than any other, defines the limits of cultural reconciliation. It concerns a letter of appeal by 62 literary figures for permission to form their own literary union.

These people, including some of the best-known writers in Poland, believe that they cannot in good conscience join in the official writers' union, whose members they largely regard as puppets

of the government, opportunists or collaborators.

As is often the case, the controversy touched off by the letter does not deal with the essential argument. Instead, it was stirred by a recent cooption by Mr. Urban that the cause of the independent writers was barred by the inclusion of Adam Michnik among the signers of the appeal. Mr. Michnik is a Solidarity union figure whose political essays and literary criticism are being translated in many countries. Mr. Urban said that Mr. Michnik was more of a political figure than a writer.

Mr. Krawczuk backed up Mr. Urban by saying, "Strictly speaking, Mr. Michnik has published only political essays, not belles lettres."

Mr. Michnik, who has written extensively on literary matters, said by phone from Gdansk that he wondered if Mr. Urban "was truly qualified to pass on who was and was not a writer."

## BEIRUT: Extremist Group Says It Is Deferring the Execution of 4 Hostages

(Continued from Page 1)

foreign hostages in Lebanon would be released by extremist groups.

The kidnappers have never specified what prisoners they want released. An Israeli military officer said last week that some Arabs were being held in Israel and that others were detained in southern Lebanon by a predominantly Christian militia that has Israeli backing.

The handwriting in the Steen letter was authenticated by Mr. Steen's wife and by students and officials of Beirut University College, where Mr. Steen and the others were abducted two weeks ago.

The letter and a photograph of Mr. Steen were delivered to the Beirut office of a Western news agency at mid-afternoon.

Another group holding hostages, the Revolutionary Justice Organization, delivered a statement Sunday to the Beirut newspaper *Al-Nahar* accompanied by a

photograph of an American hostage, Edward Austin Tracy. The group claimed on Oct. 21 that it had kidnapped him.

The statement said the United States planned an air and sea landing in Moslem West Beirut to seize prominent leaders of Hezbollah, a group of pro-Iranian Shiite extremists, and swap them for foreign hostages.

The United States moved a naval battle group into the eastern Mediterranean off Lebanon after 11 foreigners were kidnapped in West Beirut in January.

The Revolutionary Justice Organization also claimed in its statement that Terry Waite, a negotiator for the archbishop of Canterbury, had carried a transmitter to pinpoint suspected terrorist hideouts for the American military attack.

Since Mr. Waite disappeared Jan. 20, there have been rumors that he is being held against his will. The Church of England has

said it could not confirm that or any of the conflicting reports that he is under arrest, was shot in an escape attempt or was seen in West Beirut or the Bekaa Valley in eastern Lebanon.

"The rumors of a bugging device seem to us to be one of the most unlikely of all," said John Little, a church spokesman.

The police, meanwhile, said a car bomb killed at least 15 persons Monday and wounded 80 others in a Shiite neighborhood of Beirut.

Four other persons were killed and 12 were wounded in mortar and rocket duels between Palestin-

ian guerrillas and Shiite militiamen for control of refugee camps near the site of the explosion.

There was no immediate claim of responsibility for the bombing. Amal issued a statement accusing the Palestine Liberation Organization of engineering the explosion.

Amal militiamen have laid siege to the two major refugee camps near the blast site for more than two months. The Shiites are trying to prevent Palestinian guerrillas from rebuilding the power base they lost after the 1982 Israeli invasion of Lebanon.

(AFP, AP)

## ISRAEL: 'Evil Tongue'

(Continued from Page 1)

course, which was designed by Ms. Harel to ease the rudenesses in Israeli society. She has taught Hebrew to children in various parts of the world, including Philadelphia.

The course involves no fancy computer software, but rather sets of old-fashioned flashcards and lessons describing 140 different social dilemmas and conflicts in a child's life.

Students up to the age of 14 pick the problems that interest them most. These include the headache of being proclaimed the "best friend" of someone and not truly requiring the pain of routine Israeli bluntness in the classroom, where one's personal flaws can be openly described by a less sensitive person and the risk of always telling the truth when others can be harmed.

The children debate these points in small groups, and Ms. Harel notes that some of them shout. But others gradually discover the tool that language ideally is, in a discourse that tolerates differences.

Such moral approaches are at the heart of the use of language, according to Mr. Tropper, who notes that in Israel, an immigrant nation, Hebrew is a new language for many newcomers. They lack a sense of its nuances.

One lesson, with a cartoon, is built around the 1,700-year-old description in the Midrashic literature that speech is like an arrow, out a sword. The children, after discussing their ideas about the simile, hear the ancient explanation: A sword, once drawn, can be put back into the scabbard when an aggressor has second thoughts. But an arrow flies out and cannot be recalled once one regrets the damage it might do.

## GANDHI: Moves Draw Criticism, Even From Friends

(Continued from Page 1)

jitters arising from the recent border buildup of Indian and Pakistani troops. A partial pullback was agreed upon Wednesday, and both sides began removing troops from the border area over the weekend.

Most news commentary, however, suggested that in transferring Mr. Singh, the prime minister was giving in to pressure over the Finance Ministry's well-publicized crackdown on tax evaders. To many, Mr. Gandhi also seemed to be pushing a potential political rival out of the way.

Critics suggested further that Mr. Gandhi might have exaggerated the Pakistani threat as a pretext for the transfer, or even to get votes in state elections due next month.

Jaswant Singh, an opposition member in Parliament, said: "If you have a military situation like this and the response is cynical questioning, it reflects a loss of credibility."

Despite these problems, Mr. Gandhi has many political assets. No one has emerged who can challenge him inside or outside his party, and parliamentary elections are not due until 1990.

He can still claim credit for his conciliatory approach toward dissidents. He has achieved a firm alliance with the chief minister of the Moslem-dominated state of Jammu and Kashmir, a man once dismissed by Mr. Gandhi's mother, Prime Minister Indira Gandhi.

Mr. Gandhi has also reached out to ethnic Gurkhas pushing for an independent state in the east, getting them to suspend their violent agitation for two months.

At a news conference, the prime minister was asked about charges that he yielded easily to pressure. "What government does not submit to pressure?" he replied testily.

He added, "We do not get pushed around."

"It is very easy to take confrontation on every issue," he said. "It is also politically very popular. But the fact is, that is divisive for the nation. What we have to do is give confidence in every section of our society that their problems can be solved within the constitution."

Defending his record generally, Mr. Gandhi pointed out that the economy was growing and prices were under control. His aides note that he draws huge, friendly crowds the minute he leaves the squabbling of the capital.

Still, by his own admission, Mr. Gandhi's "honeymoon" ended more than a year ago, and aides see

the recent criticism as more personal than before.

Once Mr. Gandhi was almost universally praised for bringing an outsider's approach to his job, tangle with bureaucrats and politicians and giving the system a shake.

Now the criticism is that he is high-handed, petulant and unable to delegate authority. He has shuffled his cabinet nine times in two years, and word has spread of his repeatedly dressing down of subordinates in front of others.

"It is a moment of grave danger," wrote Arun Shourie, a columnist close to Mr. Gandhi. "Among the people, the earlier enthusiasm that he will usher reform has given way to an apprehension that at this rate he will not be able to hold things together."

## KEMP: Fewer Words for More Votes

(Continued from Page 1)

ply-side gospel of stimulating the economy by cutting taxes.

Mr. Rollins says he wants to limit Mr. Kemp to three or four central themes, but concedes he is not yet sure what they should be. "This is a time in the campaign for experimentation," said Jeff Bell, coordinator of the Kemp campaign.

Mr. Bell said that the supply-side issue for which Mr. Kemp is best known has lost its appeal with the Republican electorate "not because it's become irrelevant, but because it's become a cliché."

Mr. Kemp, 51, has already begun shifting his focus toward foreign

policy. Mr. Kemp believes that Mr. Kemp should make his mark in 1988 as the staunchest anti-Communist in the Republican race.

"That's been the most important theme in Republican party politics for the past 40 years," Mr. Kemp said.

In the past year, Mr. Kemp has been a vocal advocate of early deployment of the Strategic Defense Initiative. And he has strongly criticized Secretary of State George P. Shultz, and others in the State Department who, he contends, do not sufficiently support anti-Communist insurgencies around the globe.

Other pitfalls lie ahead for the Kemp campaign. Mr. Kemp has

diversionary tactics, and decoy flares are dropped to deflect heat-seeking missiles from the aircraft.

In September 1985, conflicting reports were also issued when the insurgents downed a plane.

Afghan government officials said then that guerrilla fighters shot down a civilian airliner with a Stinger missile as it was taking off from Kandahar in the southwest, killing all 52 aboard. Guerrilla forces, who were not known to have Stingers at the time, said the plane was a military transport and that all aboard had been soldiers.

### Yugoslav A-Plant Restarted

Reuters

LJUBLJANA, Yugoslavia — Yugoslavia's only nuclear power plant, at Krsko on the Slovenian-Croatian border, resumed operations Monday after being shut down since Friday. A fault in the computer regulating the turbine shut it down automatically.

## AFGHAN: Rocket Hits Plane

(Continued from Page 1)

by guerrillas and most of the civilian population was evacuated or fled to Pakistan years ago.

Thousands of Soviet and Afghan troops were strifed into Khost over the past two weeks for a major offensive against the guerrillas. Civilian air service is minimal in Afghanistan and nearly always is suspended during major combat.

Guerrilla officials said a missile crew hidden in hills near the airstrip downed the plane, but would not say what kind of missile was used.

According to guerrilla officers, insurgents with missiles have been posted near airstrips and instructed to focus on slow-moving propeller transports such as the An-26.

The insurgents have acknowledged receiving U.S.-made shoulder-fired Stinger missiles.

The guerrillas have reported increased success in using the Stingers against Soviet and Afghan aircraft recently. Planes landing and taking off at the Kabul airport take

## MARCOS: A New Conglomerate

(Continued from Page 1)

persuade some of the Marcos associates to strike a deal.

Only one such figure, Jose Y. Campos, has agreed, surrendering stocks and land titles covering more than 3,750 acres (1,520 hectares), and sharing information that speeded investigation on other financial matters.

Meanwhile, although no one has been jailed, the government has moved administratively against hundreds of Marcos associates. It has frozen the assets of many of them and placed 255 people, as of last month, on a list that blocks them from leaving the country.

Beyond the difficulties of recovering illegally obtained wealth lie the questions, both financial and political, of what to do with it once it is recovered.

In June, Mrs. Aquino issued an

executive order granting the commission the right to vote its sequestered shares.

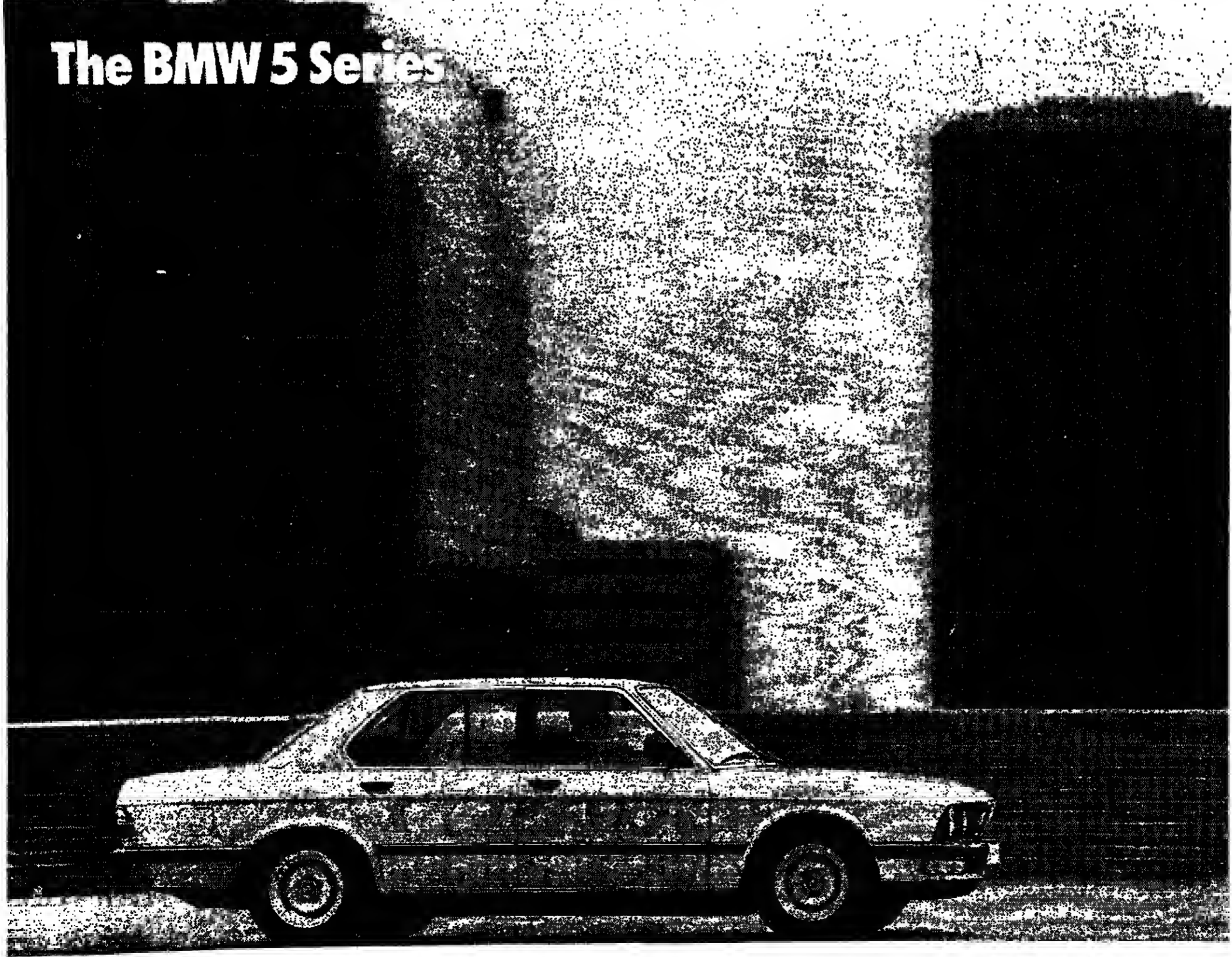
The billions of dollars in holdings of Mr. Marcos and his family and friends make up part of the economic power that shored up his authoritarian rule.

Five families, including those of Mr. Marcos and of his wife, Imelda, are said to account for 60 percent of the companies under sequestration, and many of the other companies are believed to be held on Mr. Marcos's behalf.

### Earthquake Strikes Crete

Reuters

ATHENS — A strong earthquake hit the southern Greek island of Crete on Monday but no injuries or damage were reported.



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Perhaps you too should take that trip down to your nearest BMW dealer and find out just how much fun you can have with the 520i.



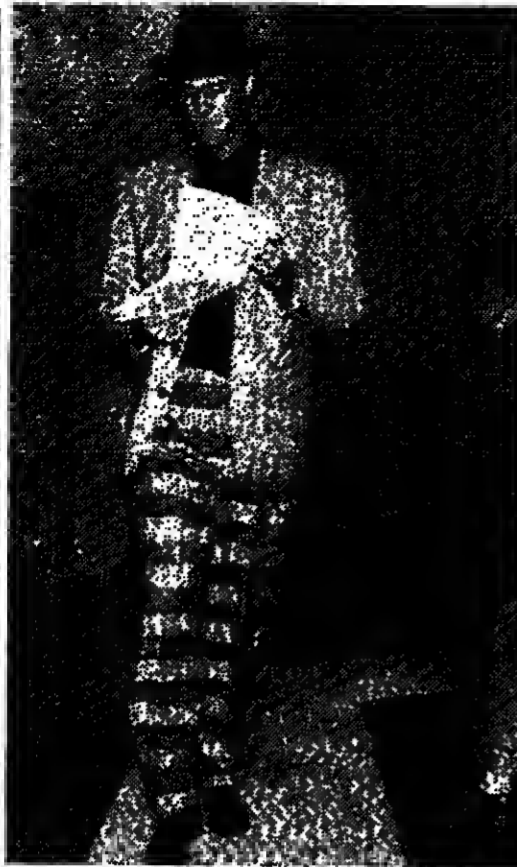
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Luxembourg	L.Fr.	10,700	5,800	3,200	29	50	L.Fr. 21	L.Fr. 7,644
Netherlands	ƒFl.	634	340	190	1.75	3	ƒFl. 1.25	ƒFl. 455
Norway*	N.Kr.	1,650	900	500	4.50	8	N.Kr. 3.50	N.Kr. 1,274
Portugal	Esc.	19,000	10,400	5,700	52	125	Esc. 73	Esc. 26,572
Spain*	Ptas.	26,500	14,600	8,000	73	135	Ptas. 62	Ptas. 22,568
Sweden*	S.Kr.	1,700	920	520	4.70	8	S.Kr. 3.30	S.Kr. 1,200
Switzerland	S.Fr.	490	270	148	1.35	2.50	S.Fr. 1.15	S.Fr. 418
Rest of Europe N. & French Africa, Middle East	\$	400	220	120	1.19	Varies by country	\$ 0.89	
Rest of Africa, Gulf States, Asia	\$	550	300	165	1.64	Varies by country	\$ 1.51	

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PARIS — Menswear is increasingly high-styled, with Thierry Mugler this season joining other designers, such as Kenzo, Claude Montana and Jean-Paul Gaultier, who all started by designing for women.

Their fall-winter Paris collections recently coincided with the Salon International de l'Habillement Masculin, which goes back to 1960, when it was a minor affair with 80 exhibitors and 2,000 visitors. This season, it attracted 920 exhibitors and more than 40,000 visitors from 90 countries.

The avant-garde collections are designed by the movers and shakers of men's fashion. Their adventurous, eager and well-heeled clientele is not from the mainstream business world, but tends to come from "creative" fields, such as advertising, fashion, music or the movies. Conservative businessmen, however, are beginning to look at these imaginative, relaxed clothes as an escape and an alternative for leisure wear, if not for the boardroom.

KENZO — On the whole, rather classic, with the early part of the collection very British — gray flannel suits, riding coats and bowlers. Patterned flannels, with stripes and checks. Lots of tweeds in dull green, brown, claret and rust contrasting with bright accessories such as red vests, colorful scarves. Brightly colored jackets and tweed trenchcoats are worn over tight, narrow, stretch knit pants.

HEBE DORSEY

Kenzo's menswear company, Hakama, founded in 1983, had a business turnover of 70 million French francs (\$11.3 million) for 1986 (against 200 million for women's wear). The first Kenzo boutique for men was opened last May on the Left Bank. Last month Kenzo signed a licensing agreement with Bidermann Industries.

CLAUDE MONTANA — Very macho collection and the best in town when it comes to leather — black blousons still a favorite. Latest techniques include pleated, quilted and braided leather. Hooded, oversized blazers in bright colors with a lot of purple.

Silhouettes close to the body with emphasized waist marked by wide, encrusted belts. Short, one-button jackets over ski pants. Cropped boleros. Fur-collared coats. Bright colors — red, purple, green suits — and unusual combinations such as purple and khaki. There are three men's boutiques in Paris and women are known to like shopping there for themselves.

THIERRY MUGLER — Inspired by space costumes and Chinese uniforms. As always, strong-shouldered and small-waisted jump-suits. "More style than fashion," Mugler said.

Traditional clothes are uncluttered — no apparent pockets, often snaps instead of buttons. Two major trends — the first, so-called "heroic and futuristic," with uniform overtones; the second is more related to outerwear, with fur-collared blousons and silver buttons. Dark, warm colors — brown, claret, green, dark gray and Prussian blue.

JEAN-PAUL GAULTIER — Dynamic, fast, humorous rock collection, including banana hairdos. Outstanding fabric contrasts — dull and shiny, rubber and glazed fabrics, also fake furs such as panther and astrakhan and a great deal of knits and stretch fabrics.

Black, red and silver dominate, followed by murky colors such as duck blue, rust and old white. Metallic accents — hobnailed blousons, metallic epaulettes and metal-trimmed gloves and belts.

YOHEI YAMAMOTO — Big wool jackets in very square shapes. Jackets, tight at the waist, are short over straight and short pants, showing socks. Voluminous pockets. Shirts feature double and triple collars. Dinner jackets decorated with enormous flowered handkerchiefs. Colors are dark, with the familiar Japanese combination of black and navy.

'21' Lost Sheep Look Round, Unfed

By Bryan Miller

New York Times Service

NEW YORK — Felix G. Rohatyn is lunching at his desk more often. Eileen Ford is surviving on Chinese carryout food and deli sandwiches. Pete Rozelle is scouring Manhattan for a new clubby restaurant, and Theodore W. Kheel shows up everywhere.

Such is the plight of these and other prominent New Yorkers for the next two months, while their cherished home away from the office, the "21" Club, undergoes its first major renovation since New Year's Day in 1930. On that day, as a patriotic speechmaker, "21" took its present quarters at 21 West 52d Street. The "21" regulars now pace anxiously from place to place, waiting for early word that the fun can resume.

In the meantime, said Rozelle, the commissioner of the National Football League and a steady lunch and dinner customer at "21" for many years, "I will be conducting a very diligent search for some place else to eat." So far he has been hunting his eat at Jimmy Weston's, a steakhouse at 131 East 54th Street, and Laurent, a French restaurant at 111 East 56th Street. Thursday night, Feb. 5 he planned to play it safe: he went to the one spot that is probably closest to "21," in that he always is greeted

name and never has trouble getting a table — home.

For Eileen Ford of the Ford model agency, who has lunched at "21" nearly every day for years, the prospect of hunting down a substitute is dispiriting. "We regulars are really the lost sheep," she said. In that flock she included such habitués as Preston H. Long, H. Huber (Hutbie) Bosowitz, Charles Allen, an investment banker, and Harry Heimley, the real-estate magnate.

"I was talking with Hutbie the other day, and we decided that this thing just has to end fast," Ford said. "I have been over to Rosa Mexicana for lunch, and next week we are going up with Preston to try L'Oronibus." Ford held out little hope that any restaurant in town would be able to combine the warmth and pampering that the longtime managers at "21" — among them Peter Kriendler, Jerome Berns and Sheldon J. Tannen — have been able to provide.

Kriendler oversees a house account list of more than 25,000 names. "On any given day when the whole top staff is here we know up to 70 percent of the customers by name," said Bruce Snyder, a "21" vice president.

In January 1985 the principals of "21" sold the restaurant to Marshall S. Cogan and Stephen Swid. Two others have been added to the team — Anne Rosenzweig and Ken Aretsky, co-owners of Arcadia, at 21 East 62d Street. Rosenzweig, the acclaimed chef at Arcadia, will oversee the kitchen. She has vowed not to eliminate such "21" standards as steak tartare and creamed chipped beef on toast. Regulars are taking a wait-and-see attitude.

Ford said she feared the loss of

her favorite midday specialties: chicken salad with lots of bacon and hot mustard mayonnaise, and crab meat with homemade Russian dressing. "They used to make anything I asked for," she said.

Rohatyn, the financier, said that finding other good, comfortable

restaurants in midtown is no problem; replicating the unique ambience at "21" — what Mike Wallace called "that peculiar sense of family" — is the daunting challenge.

"You can replace the restaurant," Rohatyn said, "but you can't replace the club."

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Down Slips by 10.13, To 2,176.74, Page 10.

4 P.M. PRICES DOWN

Statistics Index

Table with 2 columns: Index Name and Value. Includes AMEX prices, NYSE prices, Dow Jones, etc.

TUESDAY, FEBRUARY 10, 1987

INTERNATIONAL STOCK MARKETS

Mild Breeze of Change Stirs The Veil Over Saudi Trading

By STEPHEN JUKE

MANAMA, Bahrain — To many Western bankers, Saudi share trading is cloaked in secrecy, a closed world ruled by influential merchant families.

11 commercial banks on changes that could open up the market — perhaps setting up the kingdom's first stock exchange.

Monetary Agency will push through the reforms. But authorities could be encouraged to act by the resurrection of Kuwait's stock exchange and Bahrain's emerging market.

The \$90 billion crash in 1982 of Kuwait's unofficial stock market — the Souk al-Mamleh — still haunts Arab share trading and will ensure that the Saudi authorities take care to avoid a speculative wave of share dealing, bankers say.

In late 1984, the Monetary Agency took stock trading out of brokers' hands and put the 11 commercial banks in charge, but new rules dampened an already stagnant market.

Banks are not allowed to trade on their own account; they merely match buy and sell orders for clients. Their role as market makers is limited.

ONE senior dealer at a joint-venture bank in Saudi Arabia said, "A share purchase or sale can sometimes take days to negotiate." Bankers say that as part of a reform package the agency might do the following:

• Relax restrictions on banks to allow own-account trade.

• Allow brokers to set up again. Stockbroking still goes on in Saudi Arabia, but through private individuals who sometimes command a large proportion of trading but are not subject to close official scrutiny.

• Set up a full-fledged stock exchange in Riyadh. Bankers say this would provide a psychological boost and bring the market under one roof.

• Establish a computerized trading network, linking banks and enabling them to see the price of all trades. At the moment, the telephone market can lead to anomalies, with widely different prices being agreed on at virtually the same time.

Bankers estimate that share trading is mainly in the hands of about 20 wealthy merchants. Shares can be owned by citizens of member states of the Gulf Cooperation Council: Saudi Arabia, Bahrain, Kuwait, Qatar, Oman and the United Arab Emirates.

With the recent surge weekly turnover has risen at times above 30 million riyals (\$8 million) after averaging 3 million to 4 million riyals in late 1986. Bankers trace the revival to OPEC's Dec. 20 decision to cut 1987 oil production and fix higher prices.

This in turn gave Saudi Arabia the confidence to go ahead with long-delayed budget plans and set an expenditure target for 1987 of 170 billion riyals, far less austere than expected.

Bankers said there were hopes that Saudi Arabia was about to pull out of recession, although these hopes were tempered by the escalation in the Gulf War. There are signs of a middle market of businessmen seeking to buy shares and break the stranglehold of traditional owners.

Bankers say the Saudi stock market has huge potential. The subscribed capital of the 46 major companies and banks listed totals 54.7 billion riyals. Market capitalization is about 64 billion.

But at the same time, bankers see reasons for caution. One said, "There are still a lot of riyals in Saudi Arabia and they are chasing only a few shares. The whole market could blow sky-high on speculation."

"There is a total lack of information on companies," the See SAUDI, Page 15

Pickens Drops Bid In Texas Offer Rejected By Shamrock

The Associated Press

AMARILLO, Texas — An investor group led by T. Boone Pickens Jr. dropped its tender offer for Diamond Shamrock Corp. on Monday after the energy company rejected the cash deal worth \$2.1 billion.

Diamond Shamrock's board voted Sunday to reject the \$15-a-share takeover offer and proceed with the company's plan to buy back 20 million of its own common shares for \$17 apiece as part of a restructuring that would split the company in two.

Shamrock has about 110 million shares outstanding. The stock closed at \$14.625, down 25 cents, on the New York Stock Exchange on Monday.

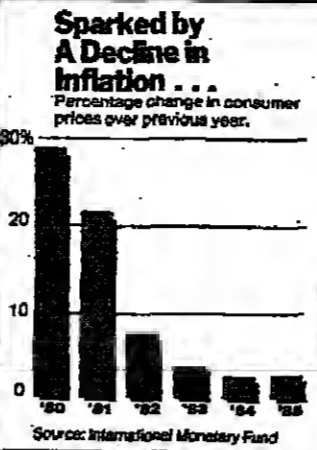
The Pickens group, a partnership known as Lucky Partners, originally offered to buy 20 million shares for \$15 a share in cash to take over the oil and natural gas company, which is based in Dallas.

The partnership, which owns about 4.5 percent of Shamrock's stock, would have exchanged securities for the remaining shares.

Diamond Shamrock's board rejected that proposal a week ago. Lucky Partners responded Wednesday by offering to buy all of Diamond Shamrock's 111.1 million common shares for \$15 a share in cash, or \$1.67 billion.

The group also offered cash for each of Diamond Shamrock's three issues of preferred stock, which would have put the total value of the deal at \$2.1 billion.

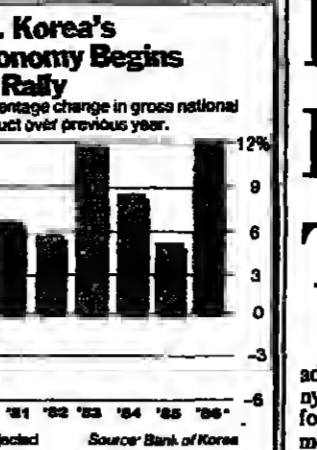
In a statement, Mr. Pickens criticized Diamond Shamrock's restructuring plan, especially provisions to issue special preferred stock to Prudential Insurance Co. of America.



Source: International Monetary Fund



Source: International Monetary Fund



Source: Bank of Korea



The New York Times Cars from South Korea roll out of a transport and into the United States.

Seoul Basking in 'the 3 Blessings' Cheap Oil, Dollars and Loans Quietly Build Prosperity

By John Burgess

SEOUL — Last year was a stunningly successful time for the South Korean economy. But officials here are not sure whether to crow or try to keep the news from spreading.

Fueled by a surge in exports, the country managed 12 percent real growth in gross national product, a figure all but unheard of in today's slow-growth world.

For the first time, South Korea had a surplus, about \$4.5 billion, in its overall trade accounts and retired some of its huge foreign debt.

Always fearful of anything that might lead to talk abroad of "another Japan" and curbs on

South Korean exports, the government has gone easy on publishing these important accomplishments.

"The realities of the Korean economy are distorted in many respects," said Choi Chang Yoon, vice minister of culture and information. "We are still in the developing-nation camp."

For the first time, South Korea had a surplus, about \$4.5 billion, in its overall trade accounts.

South Korea and Taiwan are viewed widely as prime targets for such measures. Seoul has steadily devalued the won against the U.S. dollar since 1978, from roughly 450 to the dollar to almost 900 at its lowest point last year.

The won is currently valued at about 855 to the dollar. A South Korean newspaper reported several days ago that the currency would be allowed to appreciate by 5 percent — to just under 820 to the dollar — by the end of this year.

Similarly, Taiwan has pegged its currency to the dollar since 1971 at a rate of about 40 to 51. Last week it climbed above 35 to the dollar for

the first time since a major currency reform in the early 1960s.

The central bank began last August to allow the Taiwan dollar to appreciate at a rate of about 1 percent per month. To avoid a sharper rise, the bank sold up to \$200 million worth of Taiwan dollars daily at some points last year, according to market analysts.

In December, the central bank accelerated the month-to-month rate of appreciation to between 2 percent and 3 percent. At the same time, a government planning agency issued a report calculating that an exchange rate above 35 to the dollar would harm as much as one-fifth of the island's exporters of manufactured goods.

South Korea, Taiwan and Hong Kong all reported substantial surpluses in their merchandise-trade surpluses with the United States last year. The U.S. deficit with Taiwan, at a record \$15.6 billion in

See ASIAN, Page 11

Havas Ends Bid For Top French TV Station, TF1

PARIS — Agence Havas SA, the advertising and publishing company, has pulled out of the bidding for the TF1 television channel, a move that analysts said represented a serious blow to government plans to denationalize the station.

But Finance Minister Edouard Balladur said at a press conference on Monday that he was not particularly upset by the decision.

He said the sell-off had "never depended on any one company."

"There are other interested parties involved, but it is not my decision to make," he said.

The government-owned Havas said Sunday that it was withdrawing from a planned joint candidacy with the publishers Hachette SA, a ticket seen by experts as the favorite for the sell-off.

Havas said the pricing announced by the government was too high and would endanger the company's financial stability.

The government last week fired the price for the 50 percent stake in TF1 to be sold to private investors at a minimum of 3 billion francs (about \$485 million).

Forty percent will later be offered to the public and 10 percent to the staff at a total cost of 1.5 billion francs.

Havas, which would have acquired 15 percent of the station, with 25 percent going to Hachette, said the investment would represent "very substantial risks" for the company.

Havas already owns 25 percent of the pay TV station Canal Plus.

Mr. Balladur said the price for the 50 percent stake would not be discussed. "I thought it was a reasonable price," he said.

A Hachette spokeswoman said Monday the company had not taken a definite position yet.

Havas shares closed at 2,040 francs on the Paris Bourse on Monday, down 1.92 percent from Friday, and Hachette closed at 3,080 francs, down 4.79 percent.

TF1 is the most watched of France's six television channels. A withdrawal of Havas and Hachette would leave two declared bidders, the Bouygues SA building company and TF1 staff, who are See HAVAS, Page 11

HARRY WINSTON Rare jewels of the world Present during the month of February their latest collection at the Palace Hotel in Gstaad and the Badrutt's Palace in St Moritz

Dollar's Fall Strains Its Ties to 3 Asian Currencies

By Patrick I. Smith

HONG KONG — The U.S. dollar's weakness against the Japanese yen and other major currencies is straining the ties several secondary currencies in Asia have for years maintained with the dollar.

The South Korean won, the New Taiwan dollar and the Hong Kong dollar have all come under strong upward pressure recently, partly because of ostal economic forces, analysts say, and partly because the United States has urged that these currencies be revalued.

In South Korea and Taiwan, these factors have compelled central banks to reverse currency-management policies that have been in place for more than a decade. In effect, the won and the Taiwan dollar are being cautiously exposed to market mechanisms for the first time, according to economists and investment analysts.

Over the past year the won and the Taiwan dollar have gained roughly 4 percent and 11 percent, respectively, against the U.S. currency. The Taiwan dollar, which has long been held at a fixed rate, has appreciated more than any Asian currency other than the yen.

Although the Hong Kong dollar has come under similar pressure, the government appears determined to maintain a link with the

U.S. currency that was established four years ago, when confidence in Hong Kong's future under Chinese sovereignty was at a low ebb.

The trend of the dollar, which headed down again on Monday after a short recovery last week, is not the only factor in the movement of the won and the Taiwan dollar. Analysts believe that these currencies are likely to continue gaining

South Korea's won and Taiwan's dollar are being exposed to market mechanisms, largely because of U.S. trade pressure, but Hong Kong is protecting its dollar.

In Washington last week, three Democratic senators introduced legislation that would require the Treasury secretary, James A. Baker

viewed widely as prime targets for such measures. Seoul has steadily devalued the won against the U.S. dollar since 1978, from roughly 450 to the dollar to almost 900 at its lowest point last year.

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See ASIAN, Page 11

Currency Rates

Table of currency rates for various countries including Australia, Brazil, Canada, etc.

Changes in London and Zurich. Rates on other European currencies. New York rates of a 25¢ unit of 100 (1) Units of 1000 (2) Units of 10000 N.G.: not quoted; N.A.: not available. (3) To buy one pound: \$1.31525

Table of other dollar values for various currencies like Argentine, Australian, etc.

Source: Anderson Bank (Brazil); Banco Commerciale Italiano (Milan); Banque Nationale des Pays (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAH (Bahrain riyal); Goldbank (Frankfurt); Other data from Reuters and AP.

Interest Rates

Table of interest rates for various currencies and terms.

Source: Morgan Guaranty (London); D.A. SF, (Paris); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to overnight deposits of \$1 million minimum for nonresidents.

Table of key money rates for various currencies.

Table of Asian dollar deposits for various terms.

Source: Reuters.

Table of U.S. money market funds.

Source: Merrill Lynch, Telefax.

Table of gold prices for various locations.

Source: Reuters.

Interstate Withdraws BofA Offer

United Press International

LOS ANGELES — First Interstate Bancorp said Monday that it had withdrawn its \$3.2-billion offer to buy San Francisco-based BankAmerica Corp.

Joseph Pinola, First Interstate's chairman and chief executive officer, said the decision had been based on BankAmerica's "continuing dismemberment," referring to the recent steady sales of the company's assets.

"The continuing dismemberment of this institution no longer justifies our current offered price," Mr. Pinola said.

First Interstate had offered to buy each share of BankAmerica common stock for an estimated \$21 in securities.

BankAmerica, the parent of troubled Bank of America, the second largest U.S. bank, formally rejected the offer on Jan. 12.

Last week, BankAmerica sold its profitable discount brokerage, Charles Schwab & Co., to its founder, Charles Schwab, for \$175 million in cash, \$55 million in securities and certain stock rights.

It has also sold its Italian subsidiary. The sales were designed to make it less attractive as a takeover candidate.

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THE AUDEMARS PIGUET ROYAL OAK. NOTHING CAN EQUAL THE ORIGINAL. Audemars Piguet advertisement featuring a watch image.

NYSE Most Actives table with columns for Vol, High, Low, Last, Chg.

Market Sales table with columns for NYSE 4 a.m. volume, NYSE 4 p.m. volume, etc.

NYSE Index table with columns for High, Low, Close, Chg.

Monday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns for Adv. Declined, Unchanged, etc.

NASDAQ Index table with columns for Composite Industrials, Finance, etc.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials.

NYSE Diary table with columns for Adv. Declined, Unchanged, etc.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, % of Total.

Dow Jones Averages table with columns for Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns for Industrials, Transp., etc.

NASDAQ Diary table with columns for Adv. Declined, Unchanged, etc.

AMEX Stock Index table with columns for High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of stock prices (A) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Dow Slips on Profit-Taking

NEW YORK — Prices on the New York Stock Exchange declined Monday when weak bond prices prompted investors to take profits in the slowest session in two weeks.

The Dow Jones industrial average fell 10.13 to 2,176.74. Two hours before the close, the Dow was down more than 17 points.

Losers outpaced gainers almost 2 to 1 among the 2,019 issues traded on the NYSE.

Big Board volume amounted to about 143.3 million shares, down from 184.1 million Friday.

Traders said a weak bond market prompted investors to take profits. The Treasury's bid for a 30-year bond fell about three-quarters of a point, or about \$7.50 for every \$1,000 of face value.

The stock market took its cue from the bond market, said Hugh Johnson, head of investment policy at First Albany Corp.

Traders linked Monday's bond market weakness to the weak dollar and to Treasury Secretary James A. Baker 3d's comment that finance officials of the Group of Five industrial nations — the United States, Britain, France, Japan and West Germany — had not scheduled a meeting.

The bond market is uneasy because it doesn't look as if the G-5 will meet to stabilize the dollar, Mr. Johnson said. He said the job of supporting the U.S. currency is then left in the lap of the Federal Reserve Board, which can bolster the dollar by encouraging higher interest rates.

The market's loss Monday did not alarm participants, however. Most see unpanicked selling at current levels as healthy market behavior.

"We think the market's pattern will turn more ragged over the next few weeks, but renewed gains are likely in the spring," said Anne Gregory, in Merrill Lynch's Market Letter.

Diamond Shamrock was the most active NYSE-listed issue, easing 3/4 to 14 1/4. Mesa Limited Partnership withdrew its offer to acquire the company after Diamond Shamrock's board rejected Mesa's bid and began a restructuring program.

BankAmerica was unchanged at 13 1/4. After the market closed, First Interstate Bancorp Monday said it withdrew its \$3.2 billion offer to buy BankAmerica Corp. First Interstate lost 1/4 to 56.

AT&T was the second-most active issue, edging up 1/4 to 24.

IBM was third, falling 2 to 133 1/4. Among other blue chips, General Motors fell 1/4 to 75 1/2, Xerox rose 3/4 to 68 1/4, and General Electric rose 1/4 to 100.

Sears added 1/4 to 46.

In utilities, Southern Co. fell 3/4 to 27 1/4 and Commonwealth Edison was down 1/4 to 36 1/4.

Carter-Wallace climbed 4 to 12 1/4. The stock has been strong recently amid optimism about the company's condom sales.

Reebok rose 1 1/2 to 30 1/4. It said its order backlog at the start of 1987 was \$445 million, up from \$325 million a year earlier.

Prices eased in active trading on the American Stock Exchange.

Entertainment Marketing led the Amex actives, rising 3/4 to 14. Wickes followed, climbing 1/4 to 4 1/4. Dometar was third, adding 1/4 to 37 1/4.

Table of stock prices (B) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (C) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (D) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (E) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (F) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (G) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (H) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (I) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (J) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (K) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (L) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (M) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (N) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (O) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (P) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (Q) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (R) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

Table of stock prices (S) with columns for 12 Month High, Low, Stock, Div. Yld. PE, etc.

(Continued on next left-hand page)

# Murdoch Clears Way to Buy HWT

**Sydney** — Rupert Murdoch cleared the way on Monday to take over Australia's largest newspaper group when he sold two television stations in Melbourne and Sydney to meet regulatory requirements.

The sale of the Channel 10 network has, in effect, assured the media magnate of control of the group, Herald & Weekly Times Ltd., after a two-month battle against rival business interests.

The sale came during the final stages of an Australian Broadcasting Tribunal hearing into his 2.3 billion Australian dollar (\$1.53 billion) takeover.

Under the tribunal's rules, foreigners are not allowed to control broadcasting interests, although

there are no such restrictions on the ownership of publications.

Mr. Murdoch, 55, who was born in Australia, became a U.S. citizen in 1983, which enabled him to acquire television stations in the United States. Mr. Murdoch has substantial media holdings in the United States and Britain.

Mr. Murdoch's News Corp. sold the television interests of Herald & Weekly to a publicly listed investment group, Westfield Capital Corp., for \$42 million dollars.

The Herald & Weekly takeover would give Mr. Murdoch control of about 10 metropolitan newspapers in five state capitals with more than 50 percent of Australian newspaper circulation.

The sale of the television inter-

ests also puts News Corp. out of reach of pending legislation that aims to restrict cross-ownership of newspaper and broadcasting interests in Australia.

The Sydney-based John Fairfax group earlier agreed to pay 320 million dollars for Herald & Weekly's other major broadcasting interests as well as dropping its rival 2.5 billion dollar bid for Herald & Weekly and all legal action against Mr. Murdoch's takeover bid.

Another bid for Herald & Weekly from Robert Holmes & Court, the Australian financier, was dropped in January.

Analysts said the effective price of Herald & Weekly after sales and costs associated with the takeover, would be 1.5 billion dollars.

# NTT Soars 200,000 Yen In First Day of Trading

**Tokyo** — Japan's biggest denationalization offer proved to be a runaway success Monday as investors thronged to buy shares of Nippon Telegraph & Telephone on their first day on the market.

When nearly two million shares were traded for the first time on the Tokyo Stock Exchange, so few sellers materialized that an opening share price could not be fixed, brokers said.

At one point, buy orders totaled more than 1.2 million shares and outnumbered sell orders by nearly 40 to 1, the exchange said.

The bidding price of an NTT share rose by 200,000 yen (\$1,307) to 1.4 million, the maximum increase permitted. The scale of the offering was enormous: The value of the 1.95 million shares listed Monday was nearly one percent of the entire market's value.

Bidding will resume Tuesday and is likely to drive the price to 1.6 million yen, brokers said.

The initial public offering of 1.65 million shares was oversubscribed more than 10 times.

# Clearing House For Euromarkets Reports Gains

**Luxembourg** — Central de Liquidation de Valeurs Mobilières, the Euromarket clearing house based in Luxembourg, reported Monday that its revenue increased 58 percent in 1986 because of a strong expansion of activity on international capital markets.

Revenue, defined as total transactions settled in the clearing system, increased to \$1,207 billion from \$762.2 million in 1985, it said.

Cedel's main shareholders include major European banks and some U.S. financial institutions. The clearing house makes its profit from earnings on short-term deposits as well as from fees for its services.

The total value of securities deposited in Cedel's clearing system in 1986 rose 48 percent to \$156.3 billion from the previous year and consisted of 14,856 issues. The securities were held for 1,764 participants. Cedel reported that about 3.5 million transactions were settled last year.

The clearing house added that it planned to open a representative office in Tokyo later this year.

# SEC Stance Is Said to Slow Trading Investigation

**New York** — The Securities and Exchange Commission is meeting increased resistance in its far-reaching investigation of Wall Street's takeover business, with many witnesses now invoking the Fifth Amendment privilege against self-incrimination and refusing to make deals for clemency.

The recent guilty plea by Michael Davidoff, who was the head trader for Ivan F. Boesky, was a

turning point, according to lawyers representing those under investigation. Mr. Davidoff pleaded guilty to a felony charge based on violations of his net capital requirements and faces up to five years in prison and \$250,000 in fines.

What made the case noteworthy, corporate lawyers said, is that these violations are not usually treated as felonies. Along with inadequate record-keeping, they are minor technical infractions over which almost any Wall Street professional could be charged.

"The Davidoff indictment caused great consternation because it makes people wonder whether the SEC has changed the ground rules," said Kenneth Balkin, a corporate lawyer at Wilkie, Farr & Gallagher, who advises some persons touched by the investigation.

Mr. Boesky, Dennis B. Levine, the former merger specialist, and others involved in the earlier stages of the investigation cooperated with the government in an effort to win milder penalties. But defense lawyers said the SEC's tough stance

has made the people now under investigation less likely to cooperate, particularly where the Justice Department has already decided to bring charges against them.

The prospect of SEC civil penalties is far less alarming than the threat of criminal charges by the Justice Department, noted Ira Lee Sorokin, the former director of the SEC's New York office, now in private practice. Because the Justice Department can grant immunity or force testimony, he added, "If someone fears criminal prosecution, he is more inclined not to cooperate with the SEC, but to wait until the Justice Department gets the case, which is increasingly the pattern, and cut a deal then."

# HAVAS: Drops TFI Bid

**Paris** — Havas, the French media group, has dropped its bid to acquire TFI, a French television network.

The deadline for candidacies is Feb. 23.

The sell-off is opposed by a majority of French people, according to recent polls, and has been attacked by the opposition Socialists.

Analysts said it could be politically damaging to the government, in contrast to the wide success met by the two previous denationalizations, of glassmaker Cie. de Saint-Gobain and banking group Cie. Financière de Paribas.

Finance Ministry officials and bankers said that Havas's withdrawal should not be "overdramatized."

They said that although there was considerable confusion surrounding the decision, other groups may come in and Hachette may increase its share.

Two private television stations, La Cinq and TV6, are also for sale after the government scrapped their franchise granted a year ago by the former Socialist administration.

A rightist press baron, Robert Hersant, is reported to have reached an agreement with an Italian television magnate, Silvio Berlusconi, to share control of La Cinq.

But bargaining and alliances for TV6 are still under discussion between several contenders, including the financier Sir James Goldsmith, the French entrepreneur Bernard Tapie, the public utility water company Lyonnaise des Eaux et de l'Éclairage, and Luxembourg's Cie. Luxembourgeoise de Télédiffusion.

# EDS Is Joining Lucky-Goldstar In South Korea

**Detroit** — Lucky-Goldstar Group of South Korea and Electronic Data Systems Corp., a General Motors Corp. subsidiary, have agreed to sell information services to the South Korean market in a joint venture, Electronic Data Systems said Monday.

The joint venture, to be known as Systems Technology Management, will begin serving Lucky-Goldstar's 20 affiliate companies and hopes to add corporate and government customers.

Lucky-Goldstar is one of South Korea's largest business groups, with \$10 billion in revenue in 1985.

Systems Technology Management will take over all Lucky-Goldstar data processing, adding about 500 employees to Lucky-Goldstar's 55,500-worker payroll.

EDS will contribute technical assistance and expertise in management and marketing, the company said. EDS has 45,000 employees in 24 countries and had \$4.4 billion in revenue in 1986.

EDS's Asian customers include Isuzu Motors Ltd. of Japan and Daewoo Motor Co. of Korea.

# COMPANY NOTES

**Arista Australia Ltd.** agreed to reduce its shareholding in Renouf Corp., a New Zealand investment company, from 49 percent to 18 percent. Renouf said its deputy chairman, Bruce Judge, would increase his personal interest in the company by taking up 30 million shares through Judge Corp. at 8 New Zealand dollars (about \$4.40) a share. Renouf closed Monday at 7 dollars a share.

**PepsiCo Inc.** the Pizza Hut chain restaurant franchise in British Columbia, Canada, and has agreed to acquire the chain in two Australian states for a total of 105 million Hong Kong dollars (\$13.4 million). Jardine already holds the Pizza Hut franchises for Hawaii and Guam.

**Mitsubishi Petrochemical Co.** of Japan has set up a joint venture in Baytown, Texas, with Exxon Chemical Co. of the United States to market compound polypropylene resin. The joint firm, Mytex Polymers Inc., is capitalized at \$300,000.

**Falconbridge Ltd.** sold its 49 percent equity interest in Western Platinum Ltd. of South Africa for \$75 million. Falconbridge said it would receive \$65 million at closing and \$10 million on Oct. 1 in exchange for its 5,929,000 shares to Western Platinum.

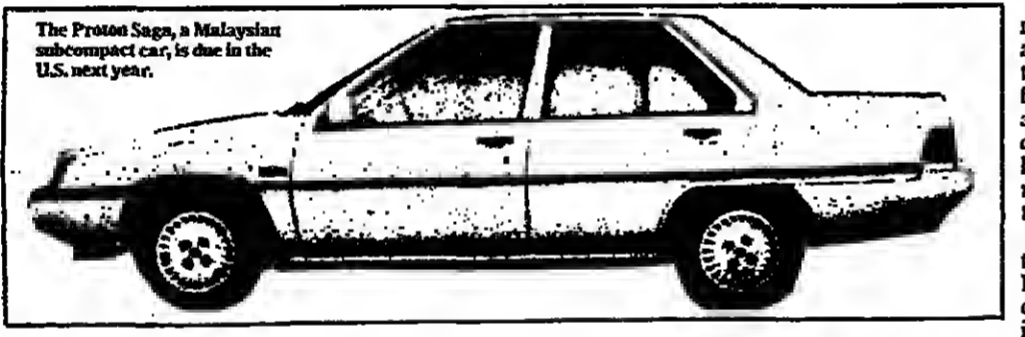
**Pangea Petroleum Co.** agreed to sell a number of new common and convertible preferred shares to Harrington & Co. International Inc. for \$1 million in cash. Pangea, a California company, now has about 8.34 million shares outstanding.

**Sanyo Electric Co.** announced in Tokyo that it had developed the world's first translucent amorphous solar cell, which allows natural light filtration while generating electric power from solar energy. It could be used in home and auto windows, skylights and greenhouses, the firm said.

**Henkel KGaA**, a West German applied-chemicals group, has acquired two companies in Scandinavia from British Petroleum Co.'s BP Olie-Kompagniet A/S for an unspecified price. The companies — A/S Kaalunds Fabrikker in Denmark and AB Thor's Kemiska Fabriker in Sweden — have combined net annual turnover of 14.5 million Deutsche marks (\$7.8 million).

**Unisys Corp.** will close its semiconductor operations in Minnesota and move the work to California by the end of this year at a cost of 900 jobs, said the second-largest U.S. computer maker. Unisys was set up when Burroughs Corp. acquired Sperry Corp. last year.

**Jardine Matheson Holdings Ltd.** has bought from



# From Malaysia, Cars for Americans

## Proton Saga to Join Imports From New Suppliers

**Detroit** — Malaysia's Proton Saga, the first car to be imported to the United States from Southeast Asia, is to go on sale in February 1988, joining a tide of inexpensive automobiles from the Third World and other non-traditional supplier countries.

**New Foreign Offerings for the U.S.**

Company	Model	Country Of Origin	Date of Introduction	Base Price
Yugo	Yugo	Yugoslavia	Aug. 1985	\$3,990
Hyundai	Excel	Korea	Feb. 1986	\$4,995
Pontiac	LeMans	Korea	Jan. 1987	N.A.
Volkswagen	Fox	Brazil	Feb. 1987	\$5,690
Mercury	Tracer	Taiwan/Mexico	March 1987	\$7,926
Mitsubishi	Precis	Korea	March 1987	\$5,195
Ford	Festiva	Korea	May 1987	\$5,785
Proton	Saga	Malaysia	Early 1988	\$4,890
Chrysler	N.A.	Thailand	1988	N.A.

N.A. Not available. Source: Company reports.

These autos are threatening to take over the U.S. small car market from higher-cost producers — and better-paid workers — in the United States and Japan.

Industry analysts now expect that by 1990, new supplier nations will export at least 1.2 million small cars each year for export to the United States, providing low-cost substitutes for increasingly expensive Japanese subcompacts.

In total, 16.3 million cars and trucks were sold in the United States in 1986. Of that, 2.3 million were from Japan.

The Proton Saga is a Japanese-designed small car that is being produced in a new plant outside Kuala Lumpur by a joint venture between the Malaysian government and Mitsubishi Motors Corp. Workers make, on average, just over \$1 an hour.

The car will be distributed by Bricklin Industries, the company that imports the Yugo, the Yugoslavian subcompact introduced in the United States in 1985.

Bricklin said late in January that it was forming a company, Global Motors Inc., that would become the parent for the Proton and Yugo distribution operations.

The Yugo, which was the first car to enter the U.S. market from a non-traditional supplier, has suffered from its reputation for poor quality, and has not been very successful in the United States. But since the Proton is based on Japanese technology, industry analysts believe it will be of much higher quality than

the Yugo, which is based on an outdated Fiat design.

Still, with both the Proton and the Yugo, Bricklin may soon become a dominant force in the U.S. distribution of the new breed of imports. Bricklin Industries is owned by Malcolm Bricklin, who failed in his brief attempt to build his own Bricklin sports car in Nova Scotia in the early 1970s.

With prices for the front-wheel-drive Proton starting at about \$5,000, Bricklin expects to sell 80,000 to 100,000 units in the car's first year in the United States, a spokesman said.

To be assembled by a Malaysian work force of 1,400 from parts kits sent from Japan, the Proton will basically be a copy of Mitsubishi's Mirage subcompact, which has already proven its worth as a solid, yet simple car for Third World nations to produce when they are getting started to the international auto market.

Ironically, Mitsubishi is starting to import into the United States the Korean-built Precis, which is made by Hyundai and patterned after the Excel. In turn, Mitsubishi is dropping its original Mirage from its U.S. car lineup.

But Mitsubishi is not the only major auto company sponsoring the rapid development of car making in the Third World. Indeed, most of these cars that will be entering the U.S. market over the next year will be sold under brand names of the major industrial nations.

Beginning this year, General Motors will import the Pontiac LeMans from its South Korean joint venture with Daewoo Motor Co.; Volkswagen will import the VW Fox from its Brazilian operations, and Ford will import the Ford Festiva from Kia Motors of South Korea and the Japanese-designed Mercury Tracer from its own plant in Hermosillo, Mexico.

Chrysler, which briefly negotiated with the Malaysian government about importing the Proton under Chrysler's nameplate, is now the only Big Three automaker without a supply of Third World cars.

# Air Malta Orders Airbus, Takes Option on a 2d

**Paris** — Air Malta has ordered one Airbus A-320-200 short-haul jet and taken an option on a second, the Airbus Industrie consortium said Monday. No price was given.

The Air Malta contract, the first it has signed with Airbus, brings the number of A-320 sales to 439.

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PRICES AT 3:28 P.M.

A: U.S. DOLLAR "CASH"	\$12.25
B: MULTICURRENCY "CASH"	\$12.25
C: DOLLAR BONDS	\$13.04
D: MULTICURRENCY BONDS	\$14.88
E: STERLING BONDS	\$11.21
F: DEUTSCHMARK BONDS	\$11.05
G: YEN BONDS	¥1107.00
H: ECU BONDS	ECU107.00
I: STERLING EQUITY	\$10.79
M: U.S. EQUITIES	\$12.25
N: JAPANESE EQUITIES	¥1000.00
O: GLOBAL EQUITIES	\$10.85
X: STERLING "CASH"	\$10.25
Z: GOLD	\$9.95

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**THE NIKKO SECURITIES CO., (EUROPE) LTD.**  
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January 1987

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**FIMBRA**



Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High/Low, Div. Yld. PE, St. High/Low, Close, and various stock symbols like IBM, GE, etc.

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Chicago, London To Share Financial Contract Trading

CHICAGO — Moving closer to around-the-clock trading, the Chicago Board of Trade and the London International Financial Futures Exchange agreed on Monday to develop a plan to trade each other's financial contracts.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 9 Feb. 1987

Large table listing various international funds with columns for fund name, currency, and price. Includes sub-sections like ALMAL MANAGEMENT, ERMITAGE MGT., etc.

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# Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Stock	Div. Yld. PE
14 1/2	14	ACI	1.25	14 1/2	14	ACI	1.25
17 1/2	17	AL	1.12	17 1/2	17	AL	1.12
17 1/2	17 1/2	AMC	1.18	17 1/2	17 1/2	AMC	1.18
17 1/2	17 1/2	AMR	1.11	17 1/2	17 1/2	AMR	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11

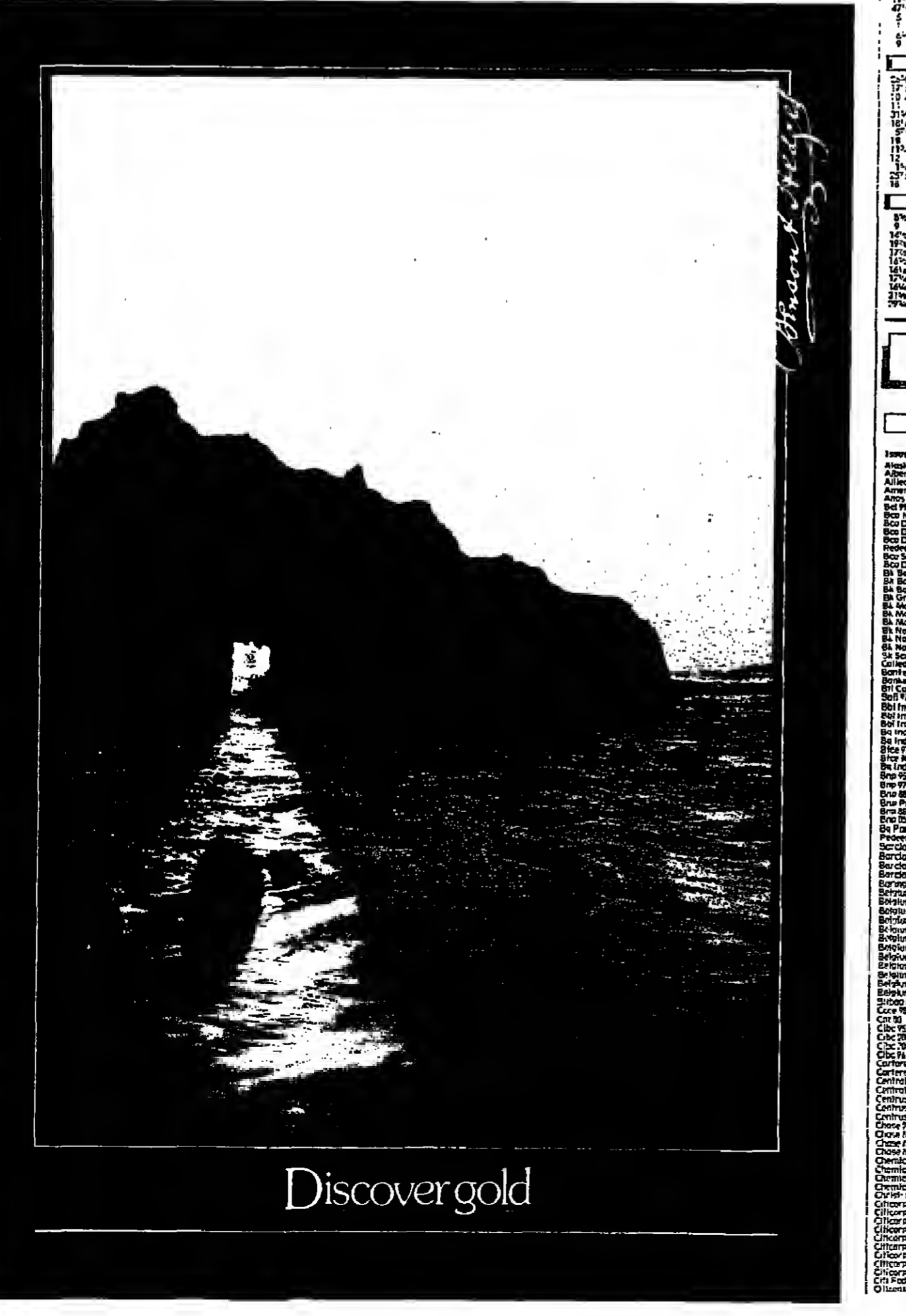
12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Stock	Div. Yld. PE
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Stock	Div. Yld. PE
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Stock	Div. Yld. PE
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Stock	Div. Yld. PE
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Stock	Div. Yld. PE
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11
17 1/2	17 1/2	AMT	1.11	17 1/2	17 1/2	AMT	1.11



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### AMEX High-Lows

NEW HIGHS 33

ACI	14 1/2	14
AL	17 1/2	17
AMC	17 1/2	17
AMR	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17

NEW LOWS 4

AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17
AMT	17 1/2	17

### Floating-Rate Notes

Feb. 9

Issuer/Mat.	Current Yield	Bid	Asked
Alcoa	11 1/2	102 1/2	103 1/2
Alcoa	11 1/2	102 1/2	103 1/2
Alcoa	11 1/2	102 1/2	103 1/2
Alcoa	11 1/2	102 1/2	103 1/2
Alcoa	11 1/2	102 1/2	103 1/2
Alcoa	11 1/2	102 1/2	103 1/2
Alcoa	11 1/2	102 1/2	103 1/2
Alcoa	11 1/2	102 1/2	103 1/2
Alcoa	11 1/2	102 1/2	103 1/2
Alcoa	11 1/2	102 1/2	103 1/2
Alcoa	11 1/2	102 1/2	103 1/2

### NSE High-Lows

NEW HIGHS 39

Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
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Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2

NEW LOWS 4

Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
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Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2

### Deutsche Marks

Issuer/Mat.

Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
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Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2

### E.C.U.

Issuer/Mat.

Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
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Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2

### Japanese Yen

Issuer/Mat.

Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
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Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2

### Pounds Sterling

Issuer/Mat.

Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
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Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2
Alcoa	11 1/2	102 1/2

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CURRENCY MARKETS

Dollar Plunges on Baker Remarks

By William McBride

NEW YORK — The dollar plunged on foreign-exchange markets Monday after traders interpreted remarks by the Treasury secretary, James A. Baker 3d, as a sign that the U.S. government had not given up on efforts to push the currency lower.

The dollar closed at 1.8100 Deutsche marks in New York, down from 1.8625 DM at Friday's close. It traded at 152.15 Japanese yen, off from 154.45 on Friday, and 0.075 French francs, down from 0.02075. The British pound rose to \$1.5275 from \$1.5075.

The full reversed gains the dollar had made last week after weeks of decline.

In an interview on a morning television program, Mr. Baker said that he plans to meet with heads of state from the Group of Five industrial nations — the United States, Japan, West Germany, France and Britain.

Earlier in the day, currency market participants had bought dollars in the expectation that finance ministers would meet soon to deal with recent foreign-exchange tur-

London Dollar Rates

Table with columns: Currency, Bid, Ask, Fri. Includes Deutsche mark, French franc, Swiss franc, Japanese yen.

Source: Reuters

moil, traders reported. The dollar had also been rebounding in recent trading sessions because of indications that the U.S. economy was perking up and its huge trade deficit shrinking.

Mr. Baker's remarks badly undercut the positive attitude toward the dollar, traders said. Afterward, the U.S. currency slid more than 3 percent against the mark in a matter of only four hours.

"It was a wild day," acknowledged Sigrid Meisel, a currency specialist with Chemical Bank in New York. "It's the third time in the last 10 days that we've had a move of such magnitude."

Several observers traced the gyrations of recent weeks to expectations that leading industrial nations would step in soon with some kind of agreement to calm the markets. "It's a psychological uncer-

OECD Says U.S. Wealth Leads Japan

Reuters

PARIS — Americans are still the wealthiest people in the industrial world on the basis of output, and statistics suggesting that the Japanese are catching up are misleading, the Organization for Economic Cooperation and Development said in a report issued Monday.

The Paris-based organization said recent figures implying a narrowing gap in other countries' wealth relative to the United States only reflected the weakening of the dollar against other currencies.

"Although in nominal terms, some countries, especially Japan, have recently moved much closer to the United States, this narrowing of the gap almost entirely reflects an upward movement in the exchange rate converted into dollar prices inside Japan," it said.

OECD figures, calculating the relative gross domestic product of Western countries to take account of purchasing power as well as exchange-rate movements, showed that inflation-adjusted U.S. GDP rose to \$17,200 per capita last year from \$16,494 in 1985.

Japanese per-capita GDP soared in nominal terms to \$16,200 last year from \$10,971 in 1985, but remained static at 71 percent of the U.S. GDP level last year in inflation-adjusted terms, it said.

The OECD study ranked West European countries into three main groups according to wealth.

The wealthiest included West Germany, Sweden, Norway, Denmark and Luxembourg, with per-capita GDP between 75 percent and 85 percent of the U.S. level, it said. This group was followed by Britain, France, Belgium, the Netherlands, Austria and Finland, with per-capita GDP between 60 and 70 percent of the U.S. level.

The least well-off group comprised Greece, Ireland, Portugal and Spain with per-capita GDP between 35 and 50 percent of the U.S. level. Italy fell between the middle and low group with per-capita GDP of about 57 percent of the U.S. level.

KOREA: Seoul's Strengthened Economy Is Basking in 'the 3 Blessings'

(Continued from first finance page)

cheap dollars, cheap oil and cheap loans. South Korea's currency, the won, is pegged to the dollar, meaning it has slid sharply against the Japanese yen in the past 16 months. That has given Korean export products — steel, videocassette recorders, cars — new competitiveness against Japanese goods on world markets.

Buyers returned to Seoul during 1986 looking for replacements for Japanese goods that had suddenly become expensive. The result was a 27 percent rise in exports, to about \$34 billion.

The Organization of Petroleum Exporting Countries' low prices greatly reduced the oil bill (the country has no significant energy resources), helping keep growth in total imports down. They rose only about 11 percent, to \$29 billion.

World interest rates remained relatively low in 1986 too. That gave South Korea a break on servicing the \$47 billion of foreign debt which it began the year. Total interest savings over projected levels came to \$400 million.

Yet many economists feel that even without the three blessings, which are all gifts from the world economy that could be taken away, the economy was ready to do well, as a result of South Korea's low inflation and high savings rates, industrious workers and investment in strategic industries.

"They took some entrepreneurial risks," said Ajun K. Mathrani, general manager of the Seoul branch of Chase Manhattan Bank. "Those risks are paying off."

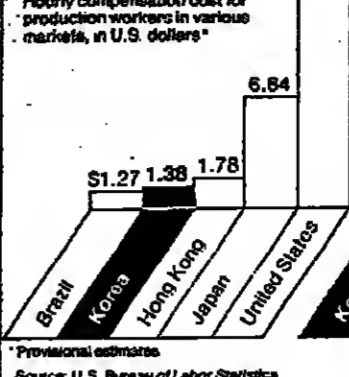
Cars are the prime example. South Korean companies have invested heavily in new factories for exports, despite a general feeling in the world industry that Japan and the United States would have overcapacity for the years ahead.

Last spring, Hyundai Motor Co. put the first Korean car, the Excel, on sale in the United States. By the end of the year, 168,000 of the cars had been shipped to the United States. Hyundai is gearing up to sell 250,000 more in 1987.

Daewoo Motor Co., meanwhile, is to enter the American market this year with a compact called the Lemans, to be sold through General Motors. Kia Motors Corp., South Korea's third auto producer,

The Korean Advantage

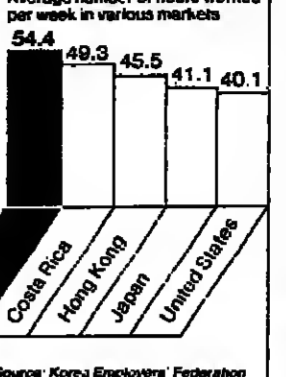
A Low Wage... Hourly compensation cost for production workers in various markets, in U.S. dollars\*



\*Provisional estimates. Source: U.S. Bureau of Labor Statistics

... And a Long Workweek

Average number of hours worked per week in various markets



Source: Korea Employers' Federation

on the economy, it also will relieve political pressure being applied both by the opposition and parts of the ruling party of President Chun Doo Hwan. Debt was running out of control, critics contended, and there was something wrong with owing so much to foreigners.

When the surplus with the United States was in the range of \$2 billion to \$3 billion, Korean officials used to make the argument that trade was really still in balance if military purchases and interest payments to U.S. banks were counted.

Last year's \$7 billion figure is too high for that questionable logic but officials argue that the surplus is not necessarily bad for the United States and its banks.

"That is the irony," said Nymun Jin, assistant minister of the Economic Planning Board. "To pay back our debt, we have to have a certain level of trade surplus with the United States."

Still, the government says it is making efforts to channel companies' purchases away from Japan, which with South Korea continues to have a large trade deficit, and toward the United States to help the overall trans-Pacific figures.

THE EUROMARKETS

Primary Sector Reports Busiest Day of '87

Reuters

LONDON — The primary sector of the Eurobond market had its busiest day of the year Monday, with the sterling sector reporting that issues totaling £400 million were launched.

Dollar-straight bonds worth \$400 million were also issued. In the secondary markets, dollar-straight bonds ended 1/4 to 3/4 point lower as U.S. credit markets fell back after a renewed decline in the dollar, dealers added.

Six sterling issues were launched, of which the most successful were two convertibles for British corporate borrowers.

ASDA-MFI Group PLC, a retailing group, launched a £100 million, 15-year convertible paying an indicated coupon of 5 percent and priced at par. An investor put op-

tion after five years will be priced to give the investor an annual yield to the put of about 9 1/2 percent.

The lead manager was Credit Suisse First Boston Ltd. The issue finished at a substantial premium of 3 3/4 to 4 1/2 percent.

Baring Brothers & Co. launched a £50 million convertible for Redland Capital PLC, guaranteed by Redland PLC.

The 15-year bond has an indicated coupon of 7 1/2 percent and was priced at par. It was quoted at a premium of about 1 1/2 percent.

Redland said the issue was being swapped into floating-rate dollars. In the straight sector, four issues were launched, but only one finished within its total fees. "It's happened before, and it'll happen again," a syndicate manager commented stoically. "There are too

many borrowers rushing in at the same time."

The government bond market, which was firm in the latter half of last week, ended up to 1/4 point earlier Monday.

McDonald's Corp. issued a £50 million bond paying 10 percent over five years and priced at 101. Kleinwort, Benson Ltd. was lead manager and quoted it within the 1 1/2 percent fees at a discount of 1 1/4 percent.

Other issues, however, did not fare so well. Kleinwort, Benson's other offering was a £50 million, five-year bond for Banque Indosuez. It pays 10 1/4 percent and was priced at 101 1/4.

The issue was quoted outside the 1 1/2 percent fees at a discount of about 2 percent.

SAUDI: Toward a Market?

(Continued from first finance page)

banker said. "Unless you are an insider, you trade on a prayer and a song."

Saudi companies publish relatively sparse financial data. Thus, to the public, businessmen have bought Saudi shares to obtain a seat on the board. Capital gain from stocks was secondary.

In Kuwait, skepticism over the stock market has subsided, while Bahrain has passed legislation allowing its first stock exchange to be set up. Bankers say this could boost the Saudi stock market. They see as a natural target for purchases the long depressed banking sector, which does publish regular earnings reports. There is no price index for Saudi shares, but some banks' stocks have risen by 10 to 10 percent since mid-December.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Table of company results for various companies including Canada, Grumman, Hon Ltd., United States, and others. Columns include revenue, profit, and loss for different periods.

Monday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Table of stock prices for various companies, including columns for 12 Month High, Low, and P/E ratio.

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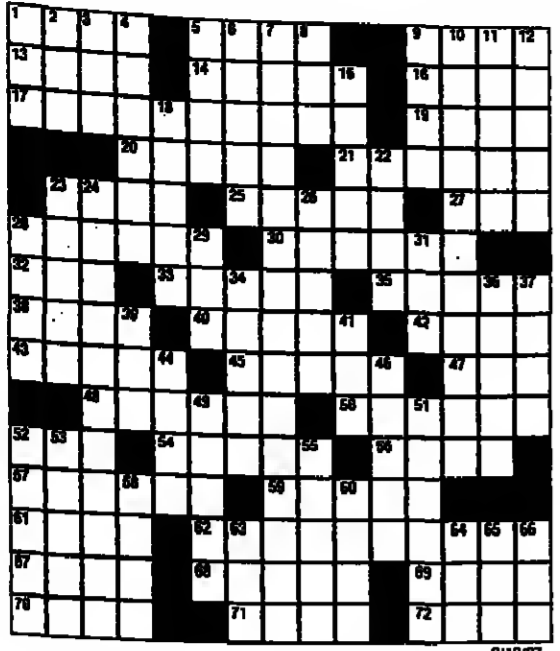
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ACROSS
1 — an egg
5 Chills and fever
9 Dimple gear
13 Cay or salt
14 Disembark
16 Sit
17 Bootblack's investment
19 "Jacta est"

PEANUTS



BLONDIE



BEETLE BAILEY



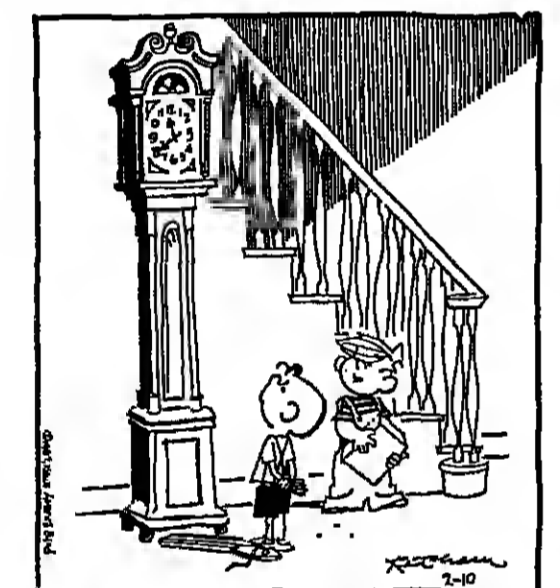
ANDY CAPP



WIZARD of ID



DENNIS THE MENACE



MY DAD SAYS IT'S BEEN IN THE FAMILY EVER SINCE IT WAS A WRISTWATCH.

JUMBLE

A word game section titled 'JUMBLE' with instructions and a grid for playing.

WEATHER

A weather forecast table for various regions including Europe, Asia, Africa, North America, Middle East, and Oceania.

REX MORGAN



GARFIELD



BOOKS

OVER THE BEACH

By Zalin Grant. 311 pages. \$18.95. W. W. Norton & Co., 500 Fifth Avenue, New York, N. Y. 10110.

Reviewed by Richard Witkin

THE Vietnam war has generated more than its share of first-rate books, a fact that might limit the audience for another account, however compelling. Yet it would be unfortunate if "Over the Beach," the story of the air war, were overlooked because of a surfeit of earlier works.

The author, Zalin Grant, who spent five years in the war, first as a U.S. Army officer, then as a correspondent for Time magazine and later for The New Republic, approaches the subject on several levels, a tactic that, in less capable hands, could have produced a muddle.

Chess

By Robert Byrne

THE world junior champion in Gausdal, Norway, played 13 R-Q1? when he should have returned a pawn to get his king into safety with 13 P-K3, R-N1; 14 B-K2, N-B3; 15 O-O.

The policy struggle primarily matched the secretary of defense, Robert S. McNamara, against the military high command, with Admiral Ulysses S. Grant Sharp Jr., commander of U.S. forces in the Pacific, leading the case against the administration's limits on bombing.

But the hard-line bombing advocated by the Joint Chiefs of Staff is also viewed as having been considerably discredited when it was tried. This was especially true, the author says, when strikes on North Vietnam's oil storage capacity in 1965 failed to bear out Sharp's thesis that the bombing would either bring peace talks or cause the insurgency in the south to wither.

As the policy split deepened, human beings kept flying missions and occasionally getting shot down or handing in their wings for a mixture of reasons, ranging from disenchantment with the war to loss of nerve. And families at home sweated it out. The trials of these individuals are treated with unusual insight and sensitivity. And the alternating portions of the book that are devoted to this cast of bit players is especially moving when seen against the high-level backdrop that set their fate.

Richard Witkin is on the staff of The New York Times.

Chess

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A small table with chess-related data, possibly a score sheet or a list of moves.

World Stock Markets

Via Agence France-Presse Feb. 9. Closing prices in local currencies unless otherwise indicated.

A large table of stock market data for various countries including Amsterdam, London, Paris, Tokyo, and others, listing various stock indices and prices.

مكتبة الأمل



SPORTS

NBA West Wins All-Star Game in Overtime

By Roy S. Johnson

SEATTLE — There was talk throughout the weekend about a storybook finish, as if the hero of pro basketball's annual play-off game was preordained. Sunday's was that kind of National Basketball Association all-star game, but with an unexpected protagonist. Tom Chambers, a versatile 6-foot-10 (2.08-meter) forward for the Seattle SuperSonics and a last-minute replacement for the injured Ralph Sampson, fueled a frantic comeback. He scored 14 of his game-high 34 points in the final period — and four in overtime — to lead the Western Conference to a 154-149 victory. His heroics came before a national television audience and a hometown crowd of 34,275 fans that was the second-largest in all-star history. The emotions produced by Chambers' commanding performance eclipsed the original storyline. This was the final all-star appearance for Julius Erving, after five seasons in the American Basketball Association and 11 in the NBA, the Philadelphia 76er guard is retiring at the end of the season. For his contributions, which included four rebounds, two assists and four steals, Chambers was named the game's most valuable player. "I never, ever, thought this would happen," said the 30-year-old pro from Utah who was playing in his first all-star game. "This is something dreams are made of. I can't believe it happened to me."

performance that included a tip-in of a miss by Kevin McHale, the Boston forward, with three seconds remaining that gave the East a short-lived 140-138 lead.

Erving, who will turn 37 in two weeks, finished with a flurry, scoring 22 points while adding four rebounds and five assists. He did have an opportunity to make a heroic exit when, after sitting out much of the final period, he came off the bench in the final minutes and converted a 17-footer with 38 seconds left that gave the East a 138-137 lead. But it was to be his final moment of glory in the game. The victory by the West came after a defeat last year and was only its second in the last eight all-star games.

For much of the way, the game lacked the kind of electric atmosphere that had made previous all-star encounters so enthralling. It wasn't the players' fans. Everyone scored except Alex English, the Denver forward, who missed all six of his shots and almost all had their moments of brilliance. For the West, James Worthy, the Laker forward (22 points, eight rebounds), combined with Johnson to give his team a 70-65 half-time lead, scoring eight points in the second period. Eric Floyd, the Golden State guard who was a first-time all-star, showed no jitters with a surprising 14-point contribution.

Even the soon-to-be 40-year-old Kareem Abdul-Jabbar, making a record 16th all-star appearance, evoked memories of his past dominance with 10 points, eight rebounds and two blocked shots, including an overtime rejection of Malone in which he grabbed the rebound and fended off opponents as his goggles were knocked from his face. "I sure enjoyed it," Abdul-Jabbar said later.

His heir apparent, Alkeem Olatunji, the Houston center, pulled down 13 rebounds and blocked three shots before fouling out in the final period.

For the East, Thomas, a two-time all-star MVP, and McHale each added 16 points. The Pistons' slippery guard spoiled his performance with nine assists, while McHale added nine rebounds. Larry Bird scored a quiet 18.

But little of it seemed appreciated by the crowd until, with 5:09 remaining and the East leading by its largest margin of the game — 128-116 — Chambers swished a three-pointer to ignite a surge that altered the momentum.

Over the next 1:43, the teams tore up and down the court as if drag racing, and with 3:26 left the West trailed by 132-129.

Chambers is the league's 12th-leading scorer this season with a 23.4 average, and is known in the Western Conference as one of the sport's most well-rounded big men, a West Coast version of McHale. He scored seven points during that 13-4 run, giving him 11 for the period, many of them on the receiving end of Johnson's passes on a simple pick-and-roll play that worked to perfection.

"This was no fluke," said Johnson. "He knows how to play. He reads me so well it was like we'd been playing with each other for years."

Chambers credited Johnson for changing the game around. "When we went behind, Magic changed the tempo," he said. "I just took it from there."

With 2:01 remaining, Chambers brought the West to within one point, 136-135, on an 18-footer that brought an eruption from the crowd.

Olatunji then gave the West a 137-136 edge with two free throws and, following Erving's final basket, Blackman missed the second of two free throws to leave the game tied at 138-138 with 24 seconds left.

Malone's follow with three seconds to go seemed to finish the West, but after a timeout, Blackman drove past two defenders along the baseline and was fouled by Thomas as time expired.

After Blackman's two free throws had tied the game, the West used the emotion of that conclusion to its advantage, scoring the first four points of the extra period and answering every East challenge.

The West increased the margin to 152-146 with 2:10 left on a rolling dunk by Abdul-Jabbar, and it proved to be too much of a deficit for the East to overcome.

"Actually," said Abdul-Jabbar, "I had a lot of fun out there. I was surprised."

The MVP award marked the first time the trophy had gone to a hometown player since Jerry West, the Laker guard, won in 1972 in Los Angeles. The total of 303 points was the highest in all-star game history.



Charles Barkley of Philadelphia got both the ball and a facial while contesting a rebound with Houston's Alkeem Olatunji.



Tom Chambers, MVP "I can't believe it happened to me."

Swiss Skiers, Superiority Confirmed, Take Sharpened Aim at Cup Honors

dominance of its men's and women's teams so far — a combined 27 victories in 44 events — Switzerland is ahead of the pace needed to establish a World Cup record for victories in a season; France won 31 of 54 races in 1970. Since the men have 10 more races and the women 11, Switzerland is on a 40-victory pace. For the second straight world championship, Austria went without a gold medal. And Austria is still looking for its first World Cup victory of the season (it has slipped to second place on the all-time World Cup victory chart, Switzerland having eclipsed it, 262-241.) It was hard enough for the Austrians at the 1985 world championships in Bormio, Italy, but the fact that this time could reach Dieter Bartsch, the head coach. Yet the simple fact is that the Austrians, like the French who were once the class skiers to call on. Girardelli is Austria's best, but skis for Luxembourg. He added to Austria's chagrin by winning a gold medal and two silvers here.

Austrian Roswitha Steiner, fastest after the first run in the women's slalom, had only the 11th-best time on the second and wound up with the silver — ensuring a sweet finish for Switzerland's Erika Hess, who will retire at the end of the season after a decade at the top. Hess left with two world titles, having regained the slalom and won the combined for the third championship in succession.

The other Swiss heroes were, inevitably, Zurbirgen and Walliser. Zurbirgen surrendered the downhill and combined titles he won in 1985, but won both the giant and super-giant slalom golds. On both occasions Zurbirgen, the best all-arounder since Karl Schranz and Jean-Claude Killy, won from Girardelli.

Walliser, 23, went home without a medal from Bormio, but this time won the downhill and super-giant and was the bronze medalist in the giant slalom. They were her first major titles. "I've been waiting for so long for this," she said after the downhill. "I've never had much luck in the big championships." (AP, AP)



TRIO OF DOUBLE WINNERS — Switzerland's Erika Hess, left, won the women's slalom and combined at the world ski championships; Pirmin Zurbriggen, took both men's slaloms, while Maria Walliser was the women's downhill and super-giant gold medalist.

SPORTS BRIEFS

Pavin Defeats Stadler in Golf Playoff

HONOLULU (AP) — Corey Pavin dimmed a six-stroke comeback with a 20-foot (6.09-meter) birdie putt on the second playoff hole and successfully defended his title Sunday in the Hawaiian Open golf tournament. Pavin, who started the day six strokes back of leader Craig Stadler, ripped the Waialea Country Club course with an 8-under-par 64 that put him through 72 holes at 270, 18 under par. Stadler came to the par-5 18th in a tie for the lead and had a six-foot birdie putt to win outright. But the former Masters champion, who hasn't won in 2 1/2 years, missed the putt and the playoff was on.

Both made routine pars on the first extra hole. On the next, both reached the green in regulation, with Pavin pin-high about 20 feet to the left and Stadler about 15 feet behind the hole. After a delay to show away a persistent pigeon, Pavin rolled his putt into the hole; when Stadler missed, Pavin — who took the Bob Hope Classic three weeks earlier — became the first two-time winner of the season.

The sixth victory of his four-year PGA tour career was worth \$108,000 from the total purse of \$600,000 and pushed Pavin's tour-leading earnings to \$307,040 in only five 1987 starts.

Stadler, who played the final round in 70, collected \$64,800. Paul Azinger (a closing 70) was alone in third place at 271. Lanny Wadkins (68) and Larry Mize (67) were next at 272.

Mayotte Beats McEnroe in U.S. Indoor

PHILADELPHIA (Combined Dispatches) — Fifth-seeded Tim Mayotte erased a bitter yearlong memory Sunday by upsetting John McEnroe, 3-6, 6-1, 6-3, 6-1, to win the U.S. Pro Indoor tennis championship. "It's a tremendous feeling," said Mayotte, who withdrew from last year's final against Ivan Lendl because of a pulled stomach muscle that eventually sidelined him six weeks. "I was so disappointed last year. I felt I was playing the best tennis of my career."

Mayotte, 26, downed a struggling McEnroe for the first time in six career confrontations. He successfully attacked the net, and the No. 4 seed was unable to pass him. McEnroe, 27, didn't appear close to the form that propelled last year's 6 1/2-month self-exile from competition to start a family and take stock of his life.

Mayotte had said earlier in the week that he was trying not to let last year's events interrupt his concentration. "But there is a little voice inside of me saying, 'Get back to the final,'" he said. He did, turning his back on memories of 1986 and winning his third pro title. (AP, UP)

Quotable

Bill Sudeck, basketball coach at Case Western Reserve, on having scheduled his team into five early-season tournaments: "Any time you put together a two-game winning streak, you get a trophy." (LAT)

Rod Laver, asked if he had ever played a tennis tournament in Orange, New Jersey, before: "I must have, I remember the bar across the street." (LAT)

SCOREBOARD

Basketball

Selected U.S. College Conference Standings. Table with columns for conference, team, and record.

NBA '87 All-Star Game

Final score and statistics for the NBA All-Star Game: West 154, East 149.

NBA All-Star Results

Results of various NBA All-Star games, including MVP and scoring leaders.

Hockey

NHL Standings. Table with columns for team, conference, and record.

U.S. College Results

Results of various U.S. college sports events.

College Top-20 Results

Top 20 results for various college sports.

Golf

Results of various golf tournaments.

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